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State Land

rowling Labour backs import controls

import controls are needed help reverse the decline of

ha policy statement to this Sect has been drawn up by Labour-TUC liaison commit-

Opposition leader Mr. Caltrade measures should be negotated with EEC and other countries, but if this failed, he And not rule out unilateral retion. Back Page

London shake-up

Greater London Council leader Sir Horace Cutler announced major changes in moves aimed to cure the capital's transport

London Transport chairman Raigh Bennett is to go, and a replacement sought, and Dr. Tony Ridley, former head of the Hong Kong Mass Transit Railway, is to manage the London Tube. Bus fares will go up an average 16 per cent on September 21, and Tube fares 11 per cent.

#### Journalists held

Five South Korean journalists working for overseas groups have been detained. In Tehran, two television reporters, a Dane two television reporters, a Dane while shorts slipped to over-and a Turk, were moved to night levels. The F.T. Govern-Evin Prison, and three arrested imalists working for British were released — with ologies.

Twenty more Army officers were executed for their part in

Statement sought | WALL STREET was 3.92 Belfast MP Gerry Fitt sought a statement on the shooting in the night of 16-year-old Michael McCartan near whose body was lound a brush and paint.

#### ısraei inquiry

israel's Interior Minister ordered a commission of inquiry liter the death of a second Palestinian hunger-striker who -had been force-fed.

#### Revolt over

The two-month rebellion on the New Hebrides island Espiritu canto ended when 200 British marines and French para-troopers landed unopposed.

#### Walkers out

Seven 20km walk competitors were disqualified for "lifting' in the Moscow Olympics, includng two who were far ahead, poking assured of the gold and ülver. British woman javelin hope Tessa Sanderson failed to metres below her best. World record runners Seb Coe and Steve Ovett won their 800m heats.

Britain's 4 x 100 metres men's

#### Boycott back

England reached 235 for three eturned after needing two ititches in a head wound to wore 39 not out

#### Briefly ...

estaurant.

Actor Peter Sellers died, follow-ing his Tuesday heart attack.

ine died and more than 30 sere injured when a London-kindungh coach overtuned

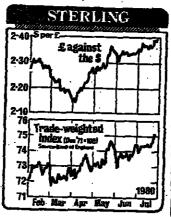
caffolder David Bickell was lead injuries suffered in a fall. ormer British bexing hampion Vic Andeesti was

ailed for three years for stab-

ing a man he chased from his

# Sterling at 5-year peak; \$10 gold rise

• STERLING advanced on unchanged UK interest rates and their further decline in the U.S. cents from Wednesday's



\$2,3848 at its highest level since March 1975. Its index rose to 75.2 (75.0), also a five-year high. DOLLAR eased to DM 1.7350 (DM L7400) and SwFr 1.5940 (SwFr 1.6000). Its index fell to 83.1 (83.4). Page 26

• GOLD rose \$10 to \$641.50 an ounce in London. Page 26

 GILTS turned easier after the announcement of unchanged Minimum Lending Rate, Profittaking and speculation that some discount houses were over-bought depressed sentiment further and longs fell up to ? ment Securities index eased 0.25 to 72.24. Page 30

 EQUITIES were dull except for one possible takeover. The F.T. 30-share index closed 1.0 higher at 487.0 Page 30.

the close. Page 27

• IRAN last month transported nearly \$250m-worth of gold to since the end Tehran from the UK raising its trols last year. transfers this year to about 30

• JAPANESE imported cars have captured 9 per cent of the West German market in the first six months of 1980 against 4.9

• ECONOMIST Brian Reading of stockbrokers Bone Fitzgerald and Co., forecasts a slump as bad as 1929-32 in the next two years with unemployment around 3m and large industrial

areas laid waste. Page 7 NATIONAL WESTMINSTER Bank has launched a house mortgage scheme offering loans from £20,000 to £40,000. Page 6 • BL will receive a further tranche of the remaining £75m allocated by the Government for 1980-81 next week. Back Page

gualify for the finals, throwing • STOCK EXCHANGE is to draw Government attention to "irregularities in management" last year by Mooloya Investments which was wound up in

medley swim team won bronze • THE SYSTEM of cash limits medals, behind Australia and on civil servants' pay contains on civil servants' pay contains major loopholes, a Commons Select Committee on the Treasury reports.

• INDUSTRIAL civil servants the first day of the Fourth are on the point of accepting a fest at The Oval Geoff Boycott wage increase offer worth 16.5 per cent. Page 10.

#### COMPANIES

• DAVY CORPORATION - pretax profits for the year to March 31 fell to £15.94m against a previous £26.13m. Page 18

• CHARTERHOUSE GROUP will raise at least £26,65m through the offer for sale of its majority stake of 41m shares in Chartenhouse Petroleum, the arded £60,000 damages for North Sea oil company. Page 19

- AECI, South Africa's largest chemicals group, reports a 69.2 per cent rise in pre-tax profits for the balf-year ended June 30 to R85.3m (£46.87m) from R50.4m. Page 24.

#### CHIEF DDICE CHARGES VESTERNAY

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De La Rue	800 + 30	Dares Estates 22 - 24
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Chergy Capital	96 + 6-	Inchespe
man Bros.	257 + 17	Metal Box 294 - 8
12888 and Hill	92 + 244	Nichola (Vimto) 212 - 15
Tewarthill	263 + 9	Sirdar 26 - 6
ocnin's	185 + 9	Union Discount 510 - 15
ansell (A.)	85 + 9	Carless Capel 148 - 6
dussell (A.) Thern EMI	324 + 4	Imp. Cont. Gas 816 - 14
Willer and Moses ii	1X7 + 14	7:ASMO
York Trailer	29 + 4	Tricentrol 342 - 10
Clandgrand	458 1.12	Tricentrol 342 - 10 · Intnl. Mining 42 - 5
	THU. I UU	torms whome

# Thorn EMI to link with Sharp in business venture

BY GUY DE JONQUIERES

Thorn EMI is to collaborate with Sharp, a major Japanese producer of consumer electronic and electrical goods, in a joint programme for development, manufacturing and distribution.

series of recent link-ups gramme, between Thorn EMI and lead- Thorn ing Japanese manufacturers. Division and Sharp have also Earlier this year it agreed to agreed on reciprocal trading promote in Europe the videodisc home entertainment system developed by Victory Company of Japan (JVC).

It is involved with JVC,
Matsushita Electrical of Japan

and General Electric of the U.S. in plans to sell the system on the American market and also has a joint record-pressing venture with Toshiba in Japan. Other British companies which have joined forces with Japanese concerns in the consumer electronics field include the General Electric Company (GEC) and Rank, which have set up joint ventures to make televisions in the UK with

The latest agreements are potentially the most far-reaching of any concluded to date. They provide for the exchange of technology and licences be-

Hitachi and Toshiba respec-

tively.

esterday, is the latest in a research and development pro-

Thorn's Domestic Appliances arrangements. From November, Thorn's Kenwood division will ship food preparation products to be sold in Japan by Sharp under its own name.

Thorn plans to manufacture at its factory at Spennymoor, Durham, microwave ovens using Sharp's technology. Production is due to begin in the middle of next year, but initially Thorn will market ovens made by Sharp in Japan.

Mr. Peter Laister, managing director of Thorn EMI, said yesterday that the agreements were designed to produce a genuine two-way exchange and could lead to investment by the two companies in each other's operations or in new joint

technology being used abroad and have increased the chances and for close co-operation be- most advanced technology avail- Thorn EMI.

The arrangement, anounced tween their laboratories on a able on world markets," he said The two companies had not yet decided on any firm projects for co-operation in research and development but their product lines were broadly compatible.

Sharp, based in Osaka, was reported to have expressed the hope that the agreements would soothe concern in Europe about rapidly rising imports of Japanese electronic products. Sharp's annual sales of £760m

are less than half of Thorn EMI's turnover. Almost half its production is exported, an unusually high proportion even by the standards of Japanese electropics manufacturers.

About one-third of its sales are accounted for by home appliances, a further one-third by industrial instruments and electronic components and the remainder by televisions, video equipment and audio products.

Sharp is a leading manufac-We think that we have turer of electronic calculators, increased the chances of British and its success in applying micro-chip technology to consumer products is believed to tween Thorn-EMI and Sharp, of getting early access to the be of particular interest to

# UK institutional investors favour overseas industry

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITISH financial institutions compared with £170m in the the Labour Party and the TUC have been investing more previous six months. money in the shares of overseas companies than in UK equities since the end of exchange con-

Central Statistical Office published show that institutions, including pension funds, insurance companies and unit trusts, bought £500m worth of overseas comper cent in the same 1979 period. | pany securities in the first three months of this year. This compares with net purchases of UK company securities of £298m in the same period.

Buying of overseas shares has been rising steadily since the exchange controls were re-moved on investments inside the EEC in July, 1979, and then abolished altogether last

Purchases of overseas company securities totalled £461m to be controversial in view of in the second half of last year, the arguments advanced by

one of the intended results of

the end of exchange controls. This is in order to provide the UK with an income-producing asset once North Sea oil revenue declines. The increase in purchases of

being tightly squeezed.

stock markets at a time when

shares overseas can be expected

revious six months. that the City has been neglect-The sharp increase may, to ing industry and that the end some extent, reflect a once and of exchange controls is resultfor-all adjustment as British ing in a diversion of finance institutions alter the balance of overseas.

scale of purchases of equities companies and pension funds. in the UK and those overseas This totalled £2.48bn in the may also reflect the relative first three months of this year, attractiveness of the respective an increase of 3.8 per cent on the level of the previous the profits of UK industry are quarter. Government

stagnate, Page 6

their portfolios and increase the proportion invested overseas.

The latest figures also high of foreign exchange traders. light the steadily rising inflow There is additional anxiety about the pressures expected

A build-up in the overseas managed to attract the bulk of portfolios of British investors is this money as purchases of gilt-edged stocks of £1.08bn accounted for nearly 44 per cent of the inflow to these institutions. This compares with an average gilts proportion of 49 per cent last year, although the share varies from quarter to quarter. Consumer spending likely to

# RATES

# U.S. prime down to

By David Lascelles in New York

CHEMICAL BANK and Chase Manhattan of New York yesterday led the way to a U.S. prime lending rate of 10.75 per cent just as many other banks were catching up with an earlier move to 11 per cent.

The prime cut produced a renewed bout of pressure on the dollar in the foreign exchanges. At noon in New York it was trading at DM 1.7345, down from DM 1.7380 at the previous day's close. Sterling strengthened to \$2.3970 in New York from \$2.3850.

The fall in the prime rate, comes when many economists are nucertain about the prospects for continuing the downward drift of U.S. interest rates, was said to be the main influence in busy foreign exchange dealing.

In the credit markets, by contrast, trading was very slow. The market which has been responding with sharp but brief movements to each intervention by the Federal Reserve, appeared to be languishing while awaiting another such The Fed. however, simply

says its credit policy has not changed and the market is being unduly sensitive to the central bank's activities, An underlying influence is the note of alarm raised on Wednesday by June's slight increase in the monthly rate of

consumer price inflation. Inflation, which might yet be influenced this year by a tax cut, could also be on the minds about the pressures expected from continued heavy demand for long-term financing in the months ahead by U.S. industry.

E in New York July 23

# Sasse rescue agreed by Lloyd's

BY JOHN MOORE

A RARE market rescue is to be The carried out in Lloyd's of Lon- secured troubled Sasse underwriting syndicate to meet losses of £21.5m.

A meeting of about 700 underindividuals of Lloyd's, and underwriters were told by Mr. Peter Green, Lloyd's chairman, that certain "grave irregularities took place" in 1976 in the handling and accounting of one handling and accounting of one insurance contract which was was placed with the Sasse syndi-

cate. He said that the irregularities were clear to him and "beyond reasonable doubt." He added that these irregularities were "the subject of separate inquiries by the polige." Lloyd's has admitted no liability.
The rescue is the first

mounted at Llyod's since the 1950s, and the largest of its leasing and in the entertain-type ever arranged. Under ment and leisure business, Lloyd's accepted market prin-mainly liability insurances for ciples, every member is liable to the full extent of his wealth to meet insurance losses. In this instance, however, the

underwriting liabilities of most of the Sasse syndicate are to be limited. It is believed that Lloyd's may not offer the rescue plan to Mr. Frederick Sasse, the leading underwriter on the syndicate, and other members of the syndicate closely involved in the placing of the controversial insurance account.
Under the proposed settle-

ment the losses of the members for the 1976 underwriting year are to be limited to £6.25m, while all losses on the 1977 underwriting account are to be met by the market. £15.25m of the known Sasse losses will be borne by the market.

So far the plan has gained the support of the market. The rescue will mean that legal action between the Sasse members and Lloyd's will be settled cates, the bodies into which all out of court, at a saving of about £3m in legal costs.

of London Fraud Squad, in progress since 1978, have centred on a portfolio of fire insurance business which was channelled to the syndicate by a U.S. company called Den-Har Underwriters.

This business eventually led to losses of \$16m for the Sasse members. The losses arose on mainly low-quality fire insurance in the New York and New Jersey areas.

"What's it worth?"

The business had been undercutting don, the insurance market, to premium rates on state insur-help the 110 members of the ance schemes which accept property risks unacceptable in the commercial market

It was later discovered that writing agents, who look after Den-Har had not received the affairs of the 18,552 private approval in the Lloyd's market Although a prescribed vettion arrangement was not follower the business was still placed area the claims were met. is
It was later alleged that the
syndicate had taken on too

much business through the Den-Har source, and breached its premium income limits, strictly laid down by Lloyd's, by 400 per cent in the 1970 underwriting year. On another front, accounting irregularities were discovered

on the handling of fire insurance business channelled to the syndicate from Canada. The syndicate is facing losses on insurances in computer

fairground and holiday camp operators. Over 40 members of the Sass syndicate have been suing Lloyd's and several underwrit-

ing agents. They have disputed their liabilities on a major par of the £21.5m losses which have arisen, the largest losses for an individual underwriting syndicate at Lloyd's. They have alleged that prope market procedures were not fol-

lowed in placing of insurance business with the syndicate, and that Lloyd's was in breach of its duties toward the members. Mr. Green said yesterday tha because of the irregularities and other matters which have emerged in the course of litiga-

tion the 16-strong ruling committee of Lloyd's "is prepared to accept that a negotiated settlement between the parties concerned would be in the interests of all involved." Over 400 underwriting syndi the members of Lloyd's are

grouped, will be expected to Police inquiries by the City participate in underwriting a guarantee policy spreading the £15.25m balance of the Sasse syndicate's losses throughout the market. It is expected that a premium

payment will be allocated to the rescuers out of the 1981 contributions, made by all members each year, to the Central Fund, the fund of last resort designed for protection of the policy holder, to arrange the guaran-

# Agreement in Observer dispute

BY PAULINE CLARK, LABOUR STAFF

REPRESENTATIVES OF the vesterday reached agreement with The Observer management Saturday evening to Sunday pay dispute which threatens to close the newspaper.

The agreement, which has yet to be put to the 50-strong managers' chapel (union branch), follows The Observer's decision on July 16 to issue 90-day notices of dis-

Although the terms of the agreement were, being kept secret the union appears to have backed down considerably at national level agreement is believed to have been reached on the issue of whether the printers should work for an extra bour for which they been receiving pay but have not previously worked.

Portugal: bungles over air strike ...

The management has refused of the prolonged and damaging improve its £92 offer for the sion of The Times. which it hopes will settle the morning shift by paying an extra Joe Wade, general secretary, £3.25 for every eight pages over said after resumed talks at the

> payment for the extra hour in the offer of £92.

The union originally sought the intervention of ACAS in a move interpreted as a sign of its desire not to see a repetition settlement

National Graphical Association throughout the dispute to battle which led to the suspen-NGA negotiators, led by Mr.

> offices of the Advisory Concilia-The NGA had demanded £7.20 tion and Arbitration Service for the excess over 48 pages that they would recommend and opposed the inclusion of acceptance to a chapel (union branch) meeting of The Observer machine managers. It is hoped the chapel can be brought together today to hear the terms of the proposed

#### Express plans economies

Express Newspapers has warned union representatives that it is proposing economies. The measures are the result of falling circulation and other problems. The company said the future of its papers was not in doubt.

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Debt recycling: OPEC and the IMF 16 Zimbabwe: military integration Polities today: the parties run out of rent Insolvency procedures: streamlining policy ..... **Management:** Inco looks beyond bankruptcy ..... U.S. clothing industry: blue jeans pave Lombard: David Fishlock on the high price of success ..... Around Britain: the Dartford tunnel 14

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# EEC seeks forum for energy cooperation

THE EUROPEAN Community which has been demanded by World countries. is expected to urge the creation the Group of 77 for aiding energy development in the Third World when the North-South dialogue enters a new phase at a special United Nations Assembly next month. The Nine have aiready agreed to try to present a common position at the Assembly starting in New York on August 25. This will prepare the agenda and procedures for

BY OUR BRUSSELS CORRESPONDENT

The Commission's recommen-

dation should be seen against the background of the Nine's failure earlier this year to agree

on measures to reduce their

sugar mountain and their sub-

equent commitment to make a

resh attempt in the autumn

aimed at bringing in a new regime by November 1.

mandate on the ISA, the Com-

mission is in effect reminding member states of the need for

reduced internal production which might then allow the Community to become a more

other leading sugar countries

in 1977, is an attempt to stabi-

lise world prices by fixing ex-

port quotas in times of over-

Belgian

**Minister** 

may quit

By Giles Merritt in Brussels

A POLITICALLY embarrass-

ing row over Belgium's defence spending has been

triggered by Mr. Charles

Poswick, the country's new

In what appears to be an open challenge to Mr. Wilfried Martens, the Belgian

Prime Minister, Mr. Poswick

has declared in the National Assembly that unless a 15

per cent increase in defence

spending is allowed he would

quit his post. Since being appointed to

the Defence Ministry two

Government in the wake of a

political crisis that almost unseated him, Mr. Poswick

has not troubled to hide his

anxiety over the country's cash-starved defence forces.

Last month he warned that

more senior officers re-

signed in protest against spending cuts he would con-sider quitting in sympathy. This time, however, Mr.

Poswick appears to have

thrown down a gauntlet that

must either result in altera-

tion of the Belgian Govern-

ment's planned 2.2 per cent spending cuts, or in his own

Swedes expect

orders to slow

REDUCED DEMAND both at

home and abroad is the main

reason why Swedish industry

can expect a continued down-

turn in orders for the second

half of the year, according to a forecast by the country's

Institute for Economic Re-

search. Orders have already

slowed during the first half

in many important industries,

including chemicals, engineer-

ing, heavy machinery and

metalworking, the forecast

By Westerly Christner in

formed a nev

ago,

Defence Minister.

world

responsible "

By seeking a negotiating

EEC GOVERNMENTS are to could not obtain an acceptable

major world sugar producer by rate which last year consumed negotiating membership of the membership, in 1976, the EEC

The ISA last renegotiated by the go-shead until an agreement

supply. The last time it sought before considering possible membership in 1976, the EEC export quotas.

International Sugar Agreement, total farm budget.

urged by the European quota. Since then, its growing

However, the EEC has not yet managed to develop a detailed position on the negotiations which are expected to embrace ment that, among the oil pricing and supply of raw producers, only Venezuela and

a new round of global negotia-just produced by the Commis-just produced by the Commis-tions between the industrialised sion which is likely to be judged which would enable, among the EEC try to make sure that, General Agreement on Tariffs and non-industrialised nations too conservative by many Third other things, OPEC and the in- when it defines the negotiating

Commission to end the Com- sugar mountain has forced it to able terms could help the Com-

munity's "rogue" status as a subsidise exports at a galloping munity achieve some of the

membership, in 1976, the EEC

producers, notably Australia.

which have long complained

about the upsetting effects on

world prices of cheap EEC

sugar capturing about 15 per cent of the world market.

Commission officials deny

there is any link between the

latest decision to seek a man-date on the ISA and the visit

to Australia early last week of

Mr. Finn Olav Gundelach. the

on new internal production

levels is reached since the Nine

will want to know the future

justify calling a special session of the full party central

committee.

ing the Soviet Union.

for Irish

economy

Poor outlook

By Stewart Dalby in Dublin

A GLOOMY if not entirely un-

expected outlook for the Irish

economy emerges from the

central bank's latest quarterly

bulletin. It expects inflation

this year to reach 19 per cent and GNP growth to be virtually

deficit is put at L£700m (£635m).

Mainly because of a deteriora-

tion in the terms of trade, it

says, there is unlikely to be

a change in the level of economic activity this year compared with 1979.

The bank expressed particular

about the balance of payments

deficit, which, because of rising

oil prices, will be substantially unchanged from that of 1979.

These levels are not sustain-

by invisible earnings and mean

that Ireland must either run

down its slender reserves or

borrow abroad if its currency.

which has been independent

from sterling for less than 18

months, is not to come under

They are not covered

BY CHRISTOPHER BOBINSKI IN WARSAW

Friday against the background since last week

THE POLITBURO of Poland's town of Lubartow about 20

ruling Communist party has miles north of Lublin. There

decided to continue its con- was also a stoppage at large

ciliatory policies towards railway repair yards in Ostrow strikers and does not consider and Wielkopolski in western

the situation critical enough to Poland in support of a demand

The possibility of a central have won pay rises and committee meeting came up promises of improved food when the politburo met last supplies through strike action

of strikes in Lublin in eastern An article in yesterday's Poland which paralysed the Zycie Warszawy, a Warsaw town. The authorities warned daily newspaper, provides inat the time that the situation sight into the Government's

there "could cause concern to present line following the polit-

the country's friends"—meaning the Soviet Union.

buro session. It says the present rash of stoppages is an "exotic

Meanwhile, reports reached phenomenon" in present-day Warsaw yesterday of a strike Poland but admits for the first

in a glassworks in the small time in the country's Press that

concern both in its last annual adviser. have traditionally sup-report and the latest bulletin ported economic and monetary

However, he is unlikely to get

Agriculture Commissioner.

Export quotas

This has angered other sugar year.

and monetary and financial

Among other things, reflects the industralised world's preoccupation with energy questions and its disappoint-

the coming negotiations. weeks is expected to be a paper forum for international co- sions and foo dishortages.

that ISA membership on reason-

vital budget economies it needs if its "own resources" are not to be exhausted next

Among other things, the EEC could help stabilise world prices at a level which could

reduce the costs of export sub-

sidies, says the Commission. It also point out that the signi-ficant increase in world prices

this year provides a favourable environment in which to try to

• The Commission has also

made another recommendation

to the Council of Ministers dear to Australian hearts which

concerns the quota on beef

imports into the Community.

It wants a review of a decision

taken earlier this year to limit imports of frozen beef from

third countries to 50,000 tonnes

bitterly that the Nine did not

follow the Commission's recom-

for a 20 per cent wage rise.

Other plants in this town of

more than 60,000 inhabitants

sharply above \$850 an ounce

countries continue along their present regrettable lines,"

according to the latest quar-

terly bulletin of Credit Suisse,

one of the world's leading gold traders. The Zurich bank sees

investment and hoarding de-

mand for the metal as likely

to total some 140 tonnes this

year as part of total consump-

Dr. Hans Mast, its economic

policies likely to stabilise or

lower the gold price. The pre-sent level, though not con-

sidered excessive in terms of

purchasing power, is seen as reflecting wide-scale inter-

Dr. Mast, the author of the

unusually outspoken article, yesterday commented on what

table " policies on the part of

the West. Apart from insuffi-

cient measures to dampen

national fear of inflation.

wide-scale inter-

The bank and particularly

tion of about 1.105 tonnes.

if the politics of Western

Australia has complained

negotiate membership.

Community urged to join sugar agreement

it joint efforts to encourage Assembly specifically includes energy developments in the Third World.

A more ambitious aim which may be worth pursuing, the adopted by EEC Foreign paper suggests, would be the Ministers earlier this week that materials, energy, commerce, Algeria have shown much inclusion of OPEC in an inter-development, food production interest in the preparations for national co-operation effort designed to achieve orderly problems.

It suggests that a "satisfacprogress to a world economy
tory outcome" for the EEC less dependent on oil and less
the Nine over the next few would be the creation of a vulnerable to generalised recesless dependent on oil and less

dustrialised countries to mount agenda and procedures, the UN discussion on energy pricing and its predictability.

It is clear from guidelines the Community will seek to block any developments in the negotiations which cut across the competence and independence of established international agencies, particularly the International Monetary Fund, the World Bank and the and Trade.

#### Greece moves towards free drachma

By Our Athens Correspondent

GREEKIE WILL take its first steps towards freeing the drachma next month. On August 27 a managed inter-bank market for the drachma is to begin operations on a dummy Around the middle of October it will be phased in to replace the present system under which the Bank of Greece each day fixes the value of the drachma against the currencies of Greece's main trading part-

The plan was described yes by Professor Xenophon Zolotas, Governor of the Bank of Greece. He said that it was due to be announced today by

Under its treaty of accession to the EEC. Greece is committed to replacing its system of fixing the drachma by the time it enters the Community on January 1. It is also required to make the drachma convertible for most transactions by the end of 1985.

for Soviet

AGREEMENT on the DM 20bn

(£5bn) gas liuk-up between East

and West Europe could be

clinched by the end of this year,

according to executives of Ruhr-

gas. West Germany's main gas

After three days of pre-

liminary negotiations, the Soviet Union and a West German-led

gas consortium are confident of

the "technical and economic

feasibility" of the plan to pipe

40bn cubic metres of gas from

The Soviet delegation, led by

Trade Minister, now travels to

Rome, Paris and Vienna, where

pressor stations.
Under the plan, the Soviet

Union will make available 40bn

cubic metres annually to the

West from the West Siberian

Yanal fields. Between 10bn and

12bn cubic metres will go to

West Germany, effectively doubling its gas imports from the Soviet Union. In return, the

West Germans will supply pipes

The next round of negotia-tions will be held in Moscow

during the summer and some

fundamental points will then

have to be cleared up. Mannes-man, for example, is keen to

avoid an excessive squeeze on its margins in the deal and is pressing for the best possible

terms, mindful that the project

could provide it some two years

work. Also the interest rate for

credit, the exact route of the

pipeline has yet to be deter-

for the 5.000 km link-up.

Russia to Western Europe.

involved in the project.

importer and distributor.

gas deal



Mr. Gundelach: visit to Australia

60,000 tonnes, arguing that this was another case of the EEC ignoring the interest of third mendation to fix the quota at country producers,

stoppages have taken place

years there have been stop-

pages in Polish industry," it

says and adds that they arose

from local problems and mis-

understandings. It implies that

stoppages are nothing to become excited about, but the

article says that they are not the only way of solving shop

It does say that workers have

the right, and even the duty, to "criticise factors which hold

up production, control the way

decisions are enforced by

management, the way produc-

tion plans are carried out, and the way wages and bonuses are

Editorial Comment—Page 16

what be called exaggerated

full-employment policies with-

out regard to cost and to the failure to solve the dollar over-

hang problem within the mone-

At the same time, he pointed

to the negative effects in the Middle East of freezing Iranian

assets and of the "political and

military weakness" of the West.

The Credit Suisse expects world supply to fall by about a

third this year due to a halving

115 tonnes) and the cessation of

offerings from Western mone-

Of the 1.105 tonnes expected

to enter the market in 1980, the

bank thinks some 699 tonnes

could come from South African

production and 291 tonnes from

tin puts industrial consumption for the year at about 755 tonnes, of which 550 tonnes would be

accounted for by jewellery use.

Coins and medals are expected

to take some 210 tonnes of gold. mined.

On the demand side, the bulle-

other Western sources.

of Soviet sales (to an estimated

"It is no secret that in past

Polish politburo takes calm line High hopes

Swiss bank attacks effect

on gold of West's policies
BY JOHN WICKS IN ZURICH

THE GOLD price could rise inflation, he drew attention to

# Bundesbank moves to ease tight liquidity By Keyin Done in Frankfurt

THE BUNDESBANK, the West German Central Bank, will take temporary action on Monday to ease the hanks' liquidity problems, but it is still resisting pressure to make any fundamental make any fundamental changes to its tight monetary

policy.

The expectation that the Bundesbank Central Bank Council would lower the key discount and Lombard interest rates at yesterday's meeting—the last before the summer pause—has fuelled a sharp rise in share prices over the last two weeks.
On Tuesday the Frankfurt stock exchange index reached

a new high for the year, but the markets' hopes were not fulfilled yesterday and the Bundeshank is clearly determined to leave interest rates at their present levels at

least until late August.
The fight against inflation remains its first priority and the Bank is clearly convinced that economic activity has still not weakened sufficiently to justify any lowering of in-

terest rates. Since May 2 the Lombard rate has stood at 9.5 per cent and the discount rate at 7.5 cent, levels which have been equalied only once in the post-war period.

The Bundeshank said yes

terday that on Monday it would start buying extra securities from the banks as a short-term means of pump-ing more liquidity into the system. The loans will be advanced to the banks at an annual interest rate of 9.2 per cent, which is well below the present Lombard rate, with a maturity of 25 days. The move is essential, since similar temporary measures introduced on July 9 are due

to expire next week.

The next meeting of the Central Bank Council is on August 21 (before this new liquidity action expires) and the Bundesbank is then

expected to take more fundamental action to loosen its credit policy by easing back By making liquidity avail-

able over 25 days and at a favourable interest rate, the Bundesbank is intending to reduce the amount of Lom-bard credit raised by the banks, which is currently running at the high level of around DM 7bn. It is con-cerned that Lombard credit should be reserved strictly for short-term liquidity shortages virtually on a daily basis.

interest rates.

With a General Election due in early October and strong signs that economic Republic has started to slow down Bundesbank monetary policy is coming under close political scrutiny.

discussions will be held with the other main distributors Herr Hans Matthofer, the The project, however, remains Federal Finance Minister, firmly in the hands of West Ger-man companies. Executives of said earlier this week that Bundesbank financial policy the engineering giant, Mannes would have to be reviewed in man, formally declared a willdetail before the end of the ingness this week to supply the necessary pipes and West Ger-man banks are expected to put year. If the economy weakened considerably then counter-cyclical action would be necessary, he said to safetogether a bridging credit to pay for the piping and the comguard full employment.

#### Spanish port lock-out

BARCELONA-Port companies in Barcelona and Alicante locked out employees yesterday in protest at a 10day partial dock strike, union officials said. At least 20 other Spanish ports are affected by the strike which has paralysed six national

The lock-out will not affect the loading and unloading of perishable goods, according to a spokesman for the companies. He added that the strike, over pay and con-ditions and plans for restructuring the ports, has cost them more than Pta 8bu

# Jerusalem Bill may be speeded into law by next week

BY OUR TEL AVIV CORRESPONDENT

salem Bill, which, when law, May. would enshrine its permanent hold over the city, looked yesterday like receiving an unex-pected speed-up, and being despite the fact that the enacted as early as next week.

Until now, it had been thought the measure would not squeeze through the parliamentary programme ahead of the Knesset's summer recess starting on August 1. This would have left the issue open until

But Mr. David Glass, chairman of the Knesset legal committee, said yesterday he now thought the Bill would be cleared through its remaining three stages by next Wednes-

day.

Mr. Glass plays a key part in determining the speed of Knesset legislation. Most experts feel that if his committee gives the go-ahead to the Jerusalem Bill, it could jump to the head of the Parliamentary Such an early enactment

would enrage Egypt and seriously embarrass the U.S. The Bill would have virtually no practical effect on the everyday status of Jerusalem but its political and emotional significance would be enor-

The Bill, introduced by Mrs. Geula Cohen, a strong nationalist, simply states that the city is Israel's capital, that its pre-1967 division must never Alexandria yesterday that the be restored and that the city shall forever be the seat of Israel's Government, Parliament All this has been in practical

new measure could be to limit President Anwar Sadat of

tions on Palestinian autonomy ment.

ISRAEL'S hotty-disputed Jeru- when the Bill first came out in

Our Cairo correspondent adds: Egypt is to press on with Knesset approved the first read-



ing of the Jerusalem Bili on Wednesday.

Confirming that the talks would continue, General Kamal Hasan Ali, Foreign Minister, said after a Cabinet meeting in Government was, nevertheless, reviewing the situation "with th utmost concern."

Despite a brave show of going through the motions, officials here are not optimistic effect for most of the past 13 officials here are not optimistic years. But one result of the about the talks, which have made virtually no progress on the scope of Israeli negotiators the key question of the nature in any international discussion of autonomy for the Palestin ians, and are now running out of procedural ploys to give Egypt suspended the negotia- them the impression of move-

# Need for SAS 'will grow'

THE need to rely on intervenmen they were sometimes tion by the Special Air Service imagined to be, Mr. Geraghty will increase as Middle East continued: The success of the disputes spread to London and Iranian Embassy operation was other parts of the UK, Mr. Tony due to the thoroughness of its

yesterday. , prosecution After the blaze of publicity sive force. iranian Embassy siege earlier

media. Cases might arise in which the SAS would deem the use of force to be inadvisable. The SAS were not the super-

Geraghty, author of a new book preparation. The men were on the SAS, warned in London aware that they were open to prosecution if they used excesin which the SAS ended the Mr. Geraghty accepted that

there was indeed a problem in this year, its members knew balancing the need for force that the next siege would be against subsequent account-tougher, Mr. Geraghty said, ability. Each case should be Terrorists were becoming more treated on its merits, but as literate, more sophisticated and terrorism grew, there would more skilled in manipulating also have to be an evolution of public opinion through the the means by which democracy defended itself.

Who Dares Wins: The Story of the Special Air Service. Tony Geraghty. Arms and Armour Press. £8.95.

#### Syrian party leaders debate recent unrest

By Our Damascus Correspondent SYRIA'S 75-man Central Committee of the ruling Ba'ath party, opened a meeting here yesterday, the centre of whose discussions is likely to be the security situation in the country. Several months of unrest against the government including a reported attempt on the life of President Hafez Assad has been largely attributed to

the fundamentalist Moslem Brethren sect. There have been reports of more than 30 executions and thousands of arrests.
President Assad's brother
Rifaat, who heads the Special
Forces, recently said that
opponents of the regime where ever they were would be ruthlessly hunted down. On Monday, Mr. Salaheddin Bitar, a former prime minister, was assassinated in Paris outside the offices where he edited a journal

# British naval chief in talks

with Chinese ADMIRAL Sir Henry Leach, Britain's Naval Chief of Staff. yesterday discussed with Chinese naval authorities possible co-operation between the two navies. British officials said in Peking, Reuter reports.

#### Libya agrees to nuclear safeguards

LIBYA HAS agreed to accept International Atomic Energy Agency (IAEA) safeguards ou nuclear materials, the IAEA announced in Vienna yesterday, Simon Henderson reports. The agreement was in line with Libra's signing of the Nuclear Non-Proliferation Treaty in 1975 which requires countries to accept "full scope" safeguards as well as the more limited ones usually associated with individual contracts to supply nuclear technology.

# Bungles over pilots' strike rock Portugese Cabinet

" regret-

BY JIMMY BURNS IN LISBON

WHEN THE STRIKE by Air "human elements" in the his-Portugal pilots took a turn for tory of the Portuguese economy, worse earlier this month, Sr. Eusebio de Carvalho the rhetoric, reminiscent of country's Minister for Labour Government statements during the invitation of the American out. Club of Lisbon. The incident was at least The hundreds of businessmen symptomatic of the tactlessness

formally invited to the occa- with which key Government sion, and the few journalists Ministers acred throughout the who had managed to be present, three week strike, which ended shared a common hope: that on July 14. Sr. Carvalho would use the occasion to clarify the Government's position on what was made a contrast to the image of fast becoming the most complex cohesion and efficiency projected and potentially damaging labour by the Democratic Alliance since dispute in Portugal since the it took office last January. revolution in 1974.

Businessmen and journalists Sr Jose Viana Baptista, the were disappointed. Not only did Transport Minister, when he Sr. Carvalho restrict his com- decided to challenge an agreements on the strike to 2 few vagaries but he also took up ditions reached last December ing the bulk of a lengthy address by the management and pilots of with a prepared academic Air Portugal. analysis ranging over such

The excercise in empty

took time off from a seemingly the Salazarist regime, which endless round of deadlocked spanned 36 years from 1932 to negotiations and heated public 1968, left a number of those statements and sat down to a present baffled if not angry. It leisurely three course dinner at occasioned a spontaneous walk-The incident was at least

Bungling was evident from the

very outset of the dispute. It The strike was sparked off by

ment on pay and working con-

PM'S PLEDGE ON SECOND TERM dropped clear hints that he

THE PORTUGUESE Prime Minister, Sr. Francisco Sa Carneiro, has again declared that he will not lead a second government under President Antonio Ramalho Eanes if the latter is re-elected head of state in this year's presidential election, Reuter reports from Lisbon. He told a rally in Lisbon of the ruling right-wing Democratic Alliance that it was impossible for the coalition to reach any political agreement with General Eanes, who has

on voters to give the Democratic Alliance an absolute victory in next October's general election. He told a crowd of several thousand hanner-waving supporters that it was necessary for the Alliance's own presidential candidate, General Antonio Soares Carneiro, to be elected so that the Government could radical legislative reform.

The Prime Minister called

intends to stand

the pilots was incompatible with a policy of financial recovery for the heavily indebted air-Government's cautious attempt Portugal. to restrain public sector spend-

initiative was dangerously con- pression of weakness, and run In purely economic terms, the troversial. The pilots were diverse topics as "American Minister's argument that a quick to stress that the Govern- of similar demands by other some eccentric decisions which humour." "the honesty of the generous scheme of tax exemp- ment was not only breaking an sectors. Equally, a firm stand implied it had been misled by Portguguese Government," and tions and salary increases for agreement, but that this agree- ran the risk of destroying its own propaganda. Reports in

ment had been reached with Sr. Alvaro Barreto, the present Minister for Industry, who last line was consistent with the December was chairman of Air

The Government was clearly caught in a quandary. To cede Politically. Sr. Baptista's too readily would give an imthe risk of unleashing a series

ministerial consensus, possibly pro-Government leading to a period of instability claimed the unit greatly detrimental to the efficiency of Government.

manoeuvred towards the middle and decided to confront the pilots head on. They resorted to dramatic threats

second week. Sr. Francisco policy. Balsemao, the personal aide to the Prime Minister declared that the meeting, and the 350 letters the Government was considering were unceremoniously dumped closing down Air Portugal un- one by one at union headless the pilots agreed to end quarters, causing considerable the strike. This was quickly government embarrassment, followed by a Cabinet classifica- A final twist came when tion of Air Portugal as a com- President Antonio Ramalho pany "in economic crisis." According to Portuguese law this is equivalent to virtual bankruptcy and gives management theoretical powers to Government's control over porarily close the company. freeze salaries, increase working hours, and trim the labour

While none of these measures were immediately put into practice, the Government made

newspapers claimed the unity and spirit of the pilots had begun to crumble, and that the majority were in The Government could have disagreement with their union, With great ostentation Sr. ground. Instead, hardline Baptista announced that he had Ministers retained the initiative sent individual letters to each Baptista announced that he had of the 350 pilots asking them to attend a meeting at the Ministry within 24 hours if As the strike entered its, they disagreed with union

> Not one pilot turned up for A final twist came when Eanes took the unprecedented step of intervening in a labour dispute; a clear indication that he had lost faith in the events.

The request was made just some eccentric decisions which hours before an emergency and cordiality. The pilots, who implied it had been misled by Cabinet session, at which the three weeks earlier had decise own propagands. Reports in Government was expected clared that they had helped to

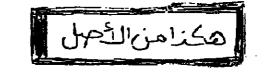


Eanes (right): unprecedented intervention

either to impose a civil requisition on the pilots or tem-In comrast to negotiations The pilots had requested an audience with Gen. Eanes, after exhausting all possibilities of dialogue with the government. an atmosphere of compromise and cordiality. The pilots, who

vote the present Democratic Alliance into office in last December's General Election emerged heaping praises on the conciliatory attitude" struck by the Government's most

FINANCIAL TIMES, published daily superint Sundays and holidays. U.S. subscription retain \$385.00 per annual york, N.Y. and at additional mailling.



# eeded into China angry at w next well Soviet activity in Vietnam

BY TOMY WALKER IN PEKING

SEAS NEW

alem Bill,

CHINA has protested at what Soviet Navy. it claims is a sharply stepped-up Soviet naval and air presence n Vietnam. The Chinese say there has been increased reconnaissance over wide areas of the South China Sea and up China's south-east coast.

The Chinese claims are backed no by military specialists here, he say they correspond with tern intelligence reports. The protest, carried by Minhta the official Chinese

sency, comes less than a continuiter a senior U.S. official of a visit to Peking raised the nestion of increased Soviet crivity in and around Vietnam. Mr. Bichard Holbrooke, U.S. istant Secretary of State, is concern about Soviet use of se bases at Cam Ranh Bey and Da Nang. China claims that Soviet ships

nd affectaft have trespassed on its territory on a number of occasions. These complaints relate to movement around the Paracel Islands in the South China Sea, which are part of a disputed claim by Peking and

According to Xinhua, in-creased Soviet military activity in the region dates from a visit in the region dates from a visit ships and aircraft, operating to Vietnam late last year from Vietnam, are keeping by Admiral Sergei Gorshkov, watch over American installa-Commander-in-Chief of

Western reports that as many time had anchored in Viet namese ports this year. China claims that Vietnam-based Soviet submarines and hydro-logical investigation ships have been active in the South China

Early this week, the Chinese warned Vietnam and the Soviet Union not to proceed with oil exploration in areas of the South China Sea which it claims as its own territory. The Chinese warning mentioned the Paracel Islands.

China alleges the Soviet Union "sent warships to carry out reconnaissance missions at Beibu Gulf and in coastal areas off the outlet of the Pearl River" (near Canton). "Vietnam-based Soviet mili-

tary aircraft are hovering over the South China Sea and nearby areas more frequently than before," the despatch said. "TU-95 longe-range reconnaissance planes and TU-114 antisubmarine planes often took off from Da Nang and flew over these areas."

The Chinese claim Soviet the tions in the Philippines

#### South Korea curbs heavy industry investment

SOUTH KOREA has decided increased by 25 per cent. not to encourage further investment in the heavy industrial sector Mr. Lee Seung-Yun, Finance Minister, has confirmed.

The decision comes as the country grapples with balance-of-payments problems, but the Minister denied that a fresh squeeze was imminent. Investment restraint will be applied on a case-by-case basis.

The Government recently decided to divert funds from capital intensive heavy machinery and chemical industry to employment-intensive medium and small-sized industry. To the process of transition boost employment, the alloca- are confident about tion for this sector was recently economic potential."

DATIN di hak

Foreign private investment in the heavy industry sector is unlikely to suffer. With this shift, the Government is slightly moving away from the high growth rate policy which led the country to becoming a semiindustrial state in 1970s.

South Korea had embarked on an ambitious programme of industrial diversification into heavy industry with a long-term view, well aware of the possibility of tough competition

. The Minister said that the second oil shock has shattered

#### 20 more 'plotters' executed in Iran

By Patrick Cockburn in Tehran

TWENTY more military officers were executed in Iran yesterday for their part in the "military conspiracy" against Ayatollah Khomeini's régime earlier in the month.

At least five of those executed were Air Force pilots and their deaths bring the total number of alleged conspirators shot to 25. More trials are planned.

Ιn Tehran. fortunus manoeuvres continue over the selection of a new Prime Minister and Cabinet. Mr. Jaialuddin Farsi, selected by the clergy-dominated Islamic Republican Party—as their candidate, appears to have ruled himself out of the running.

In an interview published yesterday, he said his opinions differ too radically from those of Iranian President Abol Hassan Bani-Sadr for co-operation between the two to be possible. Nevertheless, his selection by the IRP shows that in the long term, the party has little desire, power with the President.

Attention is now focusing on Mr. Mustapha Mir-Salim. the Deputy Interior Minister. who has had meetings with Ayatollah Khomelni and the Asked if he thought he would be nominated as Premier, Mr. Mir-Salim said: "Everything is

According to the evening newspaper, Keyhan, his selec-tion is now definite, but it is unclear how far he has secured the complete backing of the Islamic Republican

If he is nominated, political commentators in Tehran believe his appointment will only he a stop-gap, and that the IRP ultimately wishes to secure the post of Premier for Mr. Farsi, a hard-line member of their central committee and their candidate for the Presidency in the January elections.

Whoever is nominated. President Bani-Sadr appears to have lost his long-running battle to secure a Premier and Cabinet sympathetic to his ideals.

# Rivalries wrack Zimbabwe military integration

But getting together the two

that Gen. Peter Walls was problems. retiring early from his post as The commander of the joint com-mand showed just how prob-lematic was his job of welding together three armies: the former white-led Rhodesia former white-led Rhodesia forces and the guerrilla armies of Prime Minister Robert Mugabe and Mr. Joshua Nkomo. now home affairs Minister.

It was hard to accept the General's statement that he was leaving because the integration process was going so well. Only the previous day the Govern-ment announced that a nineman Cabinet committee would made in integrating the three military forces

Earlier this year, the Prime Minister said he wanted the integration exercise completed date only 1,200 of the 32,500 guerrillas have been processed. The real problem now is finding a successor to General Walls, Mr. Mugabe faces a delicate and essentially "no delicate and essentially "no win" choice because of the

growing animosity between his and Mr. Nkomo's forces, Of the 32,500 guerrillas still in the assembly camps about to Mr. Mugabe and the balance ZIPRA men who support say, however, that in the mili-

guerrilla armies of Zimbabwe army, Mr. Nkomo's men are is proving an almost greater showing up far better than Mr. difficulty.

Mugabe's thereby adding
The surprise announcement further to the Prime Minister's

> The point is that Mr. Mugabe's ZANU-PF party is understandably anxious that the composition of the new national army of Zimbabwe should reflect his party's dominant position in government. Yet if promotion and selection were done on merit alone, there would almost certainly be a majority of Nkomo men commanders, military officials say.

The Walls resignation has

added to the pressures on the Prime Minister, since the logical choice for the top post is Commander Rex Nhongo, military chief of his ZANLA forces. But his appointment at this stage would create a very serious situation between the two political and military whose relations are already seriously strained by the Cabinet level rows between Nkomo on the one side and Senator Enos Nkala and Mr. Edgar Tekere—two senior

the other. It is inconceivable that Mr. Mugabe would appoint either of Mr. Nkomo's two top military men-Mr. Lookout Masuku, the two-thirds are Zanla men. loyal nominal commander of ZIPRA underlying tribal tensions with or the apparently more powerinfluential Moscow-Mr. Nkomo. Military officials trained Mr. Dumiso Dabengwa. This leaves the Prime Ministary training programme being ter with the difficult choice of Shon

Mugabe. Cabinet. Ministers-on

GETTING TOGETHER the carried out by British army another "stop gap" general, former foes of Rhodesia's personnel along with guerrilla either a British or possibly a guerrilla war was one problem commanders and instructors Commonwealth soldier—or opt-Nhongo.

> Nhongo a ain would certainly upset Mr. Mugabe's party radi cals while the appointment of Mr. Nhongo would go down in the regular Rhodesia forces Zimbabwean army, but also with the police. In addition, there would be further tensions in the Cabinet coalition alliance

Obviously, Mr. Nkomo is far from happy with his junior and modest role as Minister of Home function is responsibility for the police. Equally clearly, there are some very influential ele-ments within Mr. Mugabe's party who believe that it was a bad mistake to have appointed their traditional rival Mr. Nkomo to the Cabinet when the party had won a comfortable overall majority in Parliament of 57 of the 100 seats.

Mr Nkomo himself is simply psychologically unfitted to fulfilling this junior role—itself hardly surprising given his standing as the Father of Zimbabwean nationalism" nearly 30 years

There is, however, much more to the Mugabe-Nkomo tensions than personality clashes alone. There has always been the Mr. Nkomo's Patriotic Front representing Ndebele, who are outnumbered

MATABELFEAND

The rift goes still deeper than this because of potential international diplomatic ramifi-cations. Mr. Nkomo has long been Moscow's favourite son for the top job in Zimbabwe.

10,000 Troops

MILITARY BALANCE

By contrast, Mr. Mugabe has lways been far closer to the Chinese and the Yugoslavs.
Mr. Nkomo reportedly still has military supporters and heavy military equipment out-side Zimbabwe. The figure of 3.000 troops plus Russian tanks

year, there will be regional and coming between the two partcoalition.

of using intimidation and violence and bringing in their guerrillas and political commissars from the assembly points to four to one by the majority politicise the rural population.

Mugabe, while carefully absolving Mr. Nkomo from any blame, accused "dissidents" from Mr. Nkomo's army of violence and intimidation in western Zimleader's traditional stronghold.

For his part. Mr. Nkomo is claiming that there is far worse intimidation in those parts of the country where the Mugabe supporters are taking the law into their own hands.

Despite all these severe difand heavy equipment is frequently mentioned though details are scanty.

Despite an index severe difficulties, the evidence suggests that at the top level, both Mr. details are scanty. Tensions are further exacer-bated by the imminence of a second round of elections within to gain from splitting the coalition now. Mr. Mugabe would be accused of having made a mislocal government elections in take in inviting Mr. Nkomo into Zimbabwe with the main tussle government in the first place while Mr. Nkomo has no politiwithin the Cabinet cal home to go to if he walks on.

Even at this early stage, both sides are accusing one another to have little choice but to sit it out awaiting the combination of the local government elections in October and the final resolution of the military integration exercise which may well not become clear until mid-1981.

# Public spending to rise 16.4% by mid-1981

ZIMBABWE's public spending vastly more than offset by the substantial sums earmarked emphasis on reconstructing and mates of expenditure tabled in sumers.

Parliament yesterday. This will take total state spending to Z\$1.4bn (£9.25m), some Z\$200m (£132m) of which in spite of a 19 per cent decline in the defence vote and a fall alone account for Z\$94m (£62m) of more than 12 per cent in this spending is in line police spending. Last year, with the Government's election security spending absorbed some

only 22 per cent. These savings amount to some Z\$70m (£46m) but they are

but this year it will be down to

will rise 16.4 per cent in the higher spending on education for subsidies. More than Z\$115m current fiscal year to mid-1981. and health (both up about 54 (£76m) is set aside for consumer according to Government esti- per cent) and subsidies to confarmers and national railways.

State spending will rise by health and education spending pledges to its supporters for 41 per cent of total expenditure free primary education and free health services. The main thrust in health spending is aimed at ing projects.

subsidies on flour, maize meal and edible oils, subsidies to exporters Zimbabwe Railways increased diplomatic representaand dairy, beef, maize and soya-, tion abroad. Loan funds are bean producers.

The thrust of Government policy is reflected in heavy spending on rural development where ZS24m (£16m) has been set aside for land resettlement schemes, and for the acquisition of land for peasant farm-

The main reason for the rise A feature of the estimates is in health spending is the

equipping rural clinics. The foreign affairs vote £6m to provide for much

provided for housing water development and road projects. With gross domestic product expected to increase about 15 per cent in the current year, the rise in state spending has been kept in line with GDP growth. But state spending will still account for more than 47 per cent of national product

#### Inflation 10.7% in Australia

By Patricia Newby in Canbern

AUSTRALIA'S inflation rate for the financial **year ended June 3**0 was 10.7 per cent, against 8.8 per cent in the previous financial year.

Figures issued Australian Bureau of Statistics yesterday showed that the con sumer price index was 2.8 per cent higher in the second quar ter than the first. The main cause of this rise was higher transport costs, reflecting the Government's policy of raising the price of domesticallyproduced oil to world parity.

# MEETING THE NORTH SEA CHALLENGE

# THE SEA & LAND PIPE LINES GROUP

COMPLETES NEW MODULE CONSTRUCTION YARD

Drawing on ten years of continuous experience in the construction of offshore modules, packages and associated steelwork, SLP has developed 8 acres of land, ideally located in Lowestoft's outer harbour, into the U.K.'s most advanced Module Construction Facility.

#### THE FACILITIES COMPRISE:

CONSTRUCTION PAD: 254 mm (10 inches) thick reinforced concrete, 15,300 sq. metres (165,000 sq. ft.) area, at  $\pm$  3.00m Newlyn level. Rolled steel angle progressively laid level with concrete at various expansion joints to provide welding earths in all areas.

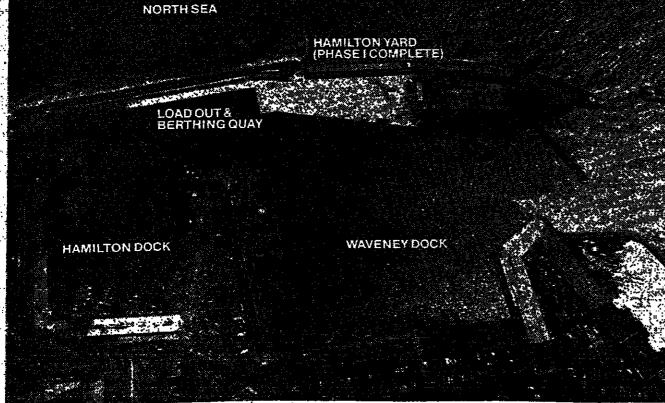
LOAD OUT POINT: Box and sheet steel piled, 36.6m (120 ft.) wide capable of moving 3,000 Tonne loads utilising the pneumatic tyred bogie system. There are three major tie rod and anchor pile systems serving and securing the load-out point.

BARGE BERTH: 128m (420 ft.) sheet steel piled berth end on to the load-out point secured with tie rods and anchor piles. There are seven bollards for mooring and two 50 Tonne anchor blocks on the load-out approach for load moving activities.

OFFICES: A 12m (39.4 ft.) wide high level area at +7.50m Newlyn supported by retaining walls is formed down the sea-side of the construction pad with a concrete protective wall superimposed on the sea-side retaining wall to a height of +11.00m Newlyn. 840 sq. m. (9.000 sq. ft.) of offices are-situated on this high level area.

ELECTRICAL SUPPLY: 2,000 KVA with eleven supply points situated on the perimeter of the construction pad for welding and other module construction activities. The transformers and switchroom are on the high level area.

CHANNEL TO THE NORTH SEA: The berth and changel to the North Sea have a depth of 6.00 metres below Mean Sea Level (i.e. below Newlyn Datum): minimum channel width is 46m (150 ft.) without bridge or other



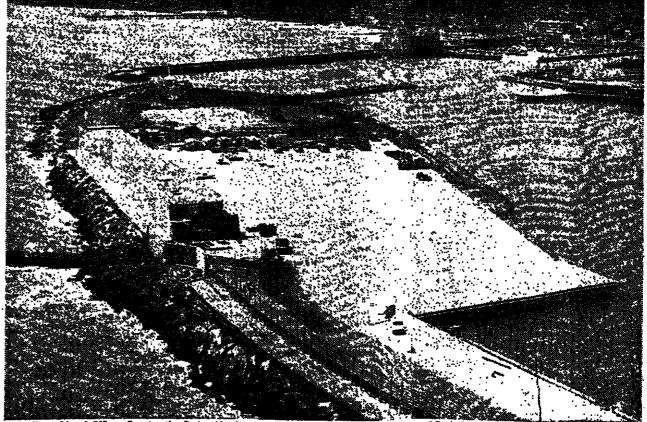
Hamilton Yard showing Hamilton and Waveney Docks and harbour entrence.

# HAS PLEASURE IN ANNOUNCING A CONTRACT WITH MARATHON, FOR PRODUCTION MODULES IN THE 'BRAE' FIELD.

Three major production modules for the 'Brae' field Offshore Platform have been awarded to SLP for construction at its new Hamilton Yard, Lowestoft. The contract, which is due to commence in August 1980, for completion on 31st March 1982, will provide employment for 750 people in the Lowestoft area.

The contract, valued at about £18m, is for a gross estimated weight of 6500 tonnes with the largest module weighing 2400 tonnes.

The 'Brae' field development lies offshore in the U.K. North Sea Sector Block Number 16/7A, which is approximately 155 miles north east of Aberdeen.



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BY DIANA SHITH IN BRASILIA

BRAZII. Tan up a \$2.027on preoccupation of the foreign \$2.550.25m) trade deficit in the first half of 1980, according to Sr. Eduarda C. according to At the beginning of 1980, the Sr. Eduardo Carvalho, the Treasury Secretarios according to external payments of 1980, the sury Secretary General. The Brazilian Government promised deficit, hit has been believed imports and exports deficit, hit by a 92.5 per cent to balance imports and exports increase in the value of oil imports comments. The growing trade gap, plus June 1978 is Brazil's second largest six monthly trade gap

Imports of crude oil accounted for 46 per cent of January to June foreign purchases of \$11.22m \$11.220n Overall imports rose
19 per cent compared with the
first half of 1979 Exports
meanwhile grew by 35 per cent
to \$9.1930n with sales of coffee
the meanwhile representthe biggest export representing nearly 16 per cent of the

The monthly trade balance in June showed a deficit of \$197m due to imports of \$1.9bn including \$790m of oil, and exports of \$1.7m, including \$909m of ed goods.

The half-yearly Brazilian trade deficit, and forecasts by ts that the year-end description that the various abroad to maintain its capa ment is likely to increase the for industrial development.

The growing trade gap, plus the discuoraging rate of annual inflation of around 100 per cent ics leading a number of foreign bankers to believe that interest rates for new leans to Brazil will be higher than in the past Some Brazilian quarters recognise that they will be lucky to end the year with

spreads of 2 per cent Brazil's curent foreign debtthe largest hard currency debt in the world-is estimated at about \$57bn.

Despite stringent efforts to hold down non-oil imports through deliberate delays in granting licences and a 15 per cent tax on import related foreign exchange deals, the half-yearly trade figures reflect Brazil's need to acquire substantial quantities of capital equipment and components abroad to maintain its capacity

Union leader predicts prolonged film stoppage

LOS ANGELES - A trade did not end soon ming leader has predicted a Industry officials have esti-long strike by the 60,000 actors mated the cost of closing a and actresses who have stopped major film set for a day at predection at all major U.S. about \$100.000 (£42,000).

The studies at a cost of mil- Work has also stopped on

national executive secretary of union leaders said. the Screen Actors Guild, yes-

pay and has stopped production Night Long," starring Barbra Streisand, and "The Border," starring Jack Nicholson.

some films which have only offer of a little over 30 per just gone into production might cent. have to be scrapped if the strike Reuter

film studios at a cost of millions of dollars a day.

"We're probably in for a
lengthy work stoppage," said
lengthy work has also stopped on
many U.S. television series, including "Dallas." "Charlie's
Angels," "Lou Grant" and
lengthy work has also stopped on
many U.S. television series, including "Dallas." "Charlie's
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Angels," "Lou Grant" and
lengthy work stoppage," said

Members of the guild and the terday, the third day of the American Federation of Television and Radio Artists, had The strike is centered on originally asked for a 40 per demands by the actors for more cent wage increase on all minimum rates over the next three on such big budget films as "All years. But union leaders said they had now reduced their claim to 35 per cent. Mr. Hunt of the film producers, said the Film producers claim that trade unions had rejected an

#### U.S. cities prepare for census battle

By Ian Hargreaves in New York

FOUR MONTHS after all residents in the U.S. were required to take part in the 1980 census, disputes have broken out around the country over alleged undercounting by the census office.

With preliminary returns starting to filter into city governments, the cities which stand to lose Federal Government aid and electoral representation because of popula-tion declines have made it clear that they do not intend to surrender to the figures without a fight,

Detroit has already said it will sue the Census Office if New York City officials are looking through the customer list of Consolidated Edison. local power company, as a double check on the numbers and the mayor of numbers and the mayor of Atlanta has proclaimed that his city will lose \$18m (£7.3m) a year in Federal funds if the count is allowed

The problem is not unpected-inded, the preliminary figures have been sent to cities in an attempt to defuse a larger confrontation when the official census results are declared—but it presents a difficult problem for the Federal census officials.

New York estimates that it has at least 1m illegal aliens within its city limits and there was bound to be considerable reluctance from these people to supplying information to the Govern-

The problem for the cities is that no-one really doubts that their populations have declined since 1978.

New York officials fear the census may show a 20 per cent decline in the city's 1970 would be a serious blow at a time when New York is again financial serious

The picture is similar in other declining cities of the industrial north east and midwest. But even in Atlanta. at the hub of the booming south east, there is a problem caused by the fact that heavy suhurbanisation has drained the inner city of its white and middle-class black popuTHREAT TO ANTI-BALLISTIC MISSILE TREATY

# How U.S. hawks could weaken UK deterren

the Anti-Ballistic Missile (ABM) land-based offensive missiles. treaty could catch the same infection. This could touch off a new spiral in the superpower arms race, while raising serious

Britain has just bought one of the very latest wares in the American nuclear supermarket the Trident I missile system. Thatcher Government is confident that enough of the relatively small numbers it is buying — 16 mutiple warheaded missiles for each of four or perhaps five submarines — could penetrate Soviet defences. This would keep Britain's nuclear deterrent going into the 21st

century.
But that confidence would be dimmed if the Russians were to improve drastically their capacity to knock out incoming missiles. There are growing rumb-lings inside the U.S. defence establishment and the Republican Party that the U.S. has fallen behind the Russians in anti-ballistic missile research and development, and must catch up.

That was what the Republican Party platform, approved at the Detroit convention, stated. It did not go far enough to satisfy Senator Jesse Helms, a far Right conservative. He wants to scrap the anti-ballistic missile treaty, signed eight years ago, when it next comes up for review in 1982.

Senator Helms reflects an in-

THE SALT II treaty is virtually U.S., which now need some de-dead, and it has become possible fence cover to protect American

An aide to Senator Gordon Humphrey, a conservative Republican, predicts that a Ronald Reagan administration "would questions whether smaller coun- look very seriously, if not at tries can stay in the nuclear abrogating the ABM treaty, then at renegotiating it" to allow the U.S. to place ABM systems around the vast majority of its land-based offensive missiles. The Russians could then of at a price of some \$2.5bn. The course do the same—and that, all agree, could pose severe problems for Britain and France, with their much smaller nuclear forces.

By themselves, a British or French missile force might be knocked out of the sky by an expanded Soviet ABM system. Many might get through if they were fired together with U.S. missiles, but then what is the point of calling the UK deter-rent "independent"? Scrapping the ABM treaty, or

even relaxing its provisions, could also weaken one of the Thatcher Government's rationales for choosing Trident over cruise missiles. This was that Soviet defences against cruise missiles, such as its array of SAM weapons, were not controlled by treaty, but systems against ballistic missiles like Trident were.

1972 ABM pact the one almost unqualified success of the whole SALT negotiations, and it should be stressed that Senator Helms is very much a lone voice in calling for its abrogacreasing sentiment among Con- tion. Of indefinite duration, it short time the U.S. deployed a

Senator Jesse Helms (above) wants to scrap the Anti-Ballistic Missile (ABM) treaty signed by the U.S. and Russia eight years ago. A new ABMs race could weaken the effectiveness of Britain's new Trident missile (left), David Buchan reports from Washington.

The Soviets chose to keep their search and development to consystem around Moscow. For a tinue virtually unchecked, howgressional hawks that the Soviet allows each superpower to system around its Grand Forks testing. The Soviet Union has Union has taken far better addedoy an ABM system at only missile site in South Dakota, apparently taken full advantage vantage of permitted loopholes one site, with no more than 100 until it was dismantled in 1976. of this, spending roughly five in the ABM treaty than the launchers and limited radar. The treaty allowed ABM retimes more than the U.S. each

ever, except for certain kinds of

by the U.S. has dropped fro. some \$1.5bn in 1972 to \$241t.

Some U.S. Senators have recently accused the Soviet Union of infringing the 1972

pact, in particular by testing SAM-5s and SAM-10s to see if they can be used to shoot down incoming missiles. But this is not taken very seriously by the Carter Administration, However, the Russians are

working on a system called the X3, which is apparently semimobile and which nervous conservatives in the U.S. worry could be swiftly deployed if the Soviet Union suddenly decided to do away with the treaty.

The Russians are also believed to be further ahead than the U.S. in the "science fiction" field of developing lasers in space to destroy missiles

But the U.S. has not entirely neglected ABM research in the past eight years, either. It scrapped its Spartan and Sprint ABM systems but has since come up with better high and low attitude missile-killers and much improved radar.

There is also a band of ABM enthusiasts on Capitol Hill: Senators Humphrey, Malcolm Wallop, Pete Domenici, all conservatives, and the two Senators from Alabama, where the Hunts-ville Space Research Centre has done much ABM work.

The ABM treaty and the Salt mentary. If one falls, so will the other—eventually. The first sign of this is already apparent in the the planned mobile MX offensive weapon system needs is a mobile ABM system to go

# Republicans in full cry over Billy Carter's Libyan link

BY DAVID BUCHAN IN WASHINGTON

RESIDEND JIMMY CARTER agging way behind Mr. Ronald Reagan in a new preference poll issued yesterday, now seems faced with an embarrassing Senate investigation of his younger brother Billy's activi-ties as a paid Libyan Govern-ment agent, and of how his Administration handled the

Senator Robert Byrd. the Democratic majority leader, said this week "there will be investigation,"

specially appointed four-man the Potomac, rather than a controversial dickering there up a curious sequence of events, panel of the Senate Judiciary serious tempest for the Admini- with Mr. Ford as a running Last November, Mr. Zbigniew Committee will decide the stration. The more partisan the mate. The latest Harris Poll was

Republicans naturally want a full-blown inquiry—akin per-haps to the Watergate hearings of 1973 which tarnished their But by yesterday's Harris Poll party. Democrats prefer a more Mr. Reagan leads the President of 1973 which tarnished their modest investigation, preferably concluded before their mid-August party convention in New

Ultimately, the affair may though a prove a local political squall on

stration. The more partisan the Republicans are in calling for full investigation, the greater the chance of it backfiring in President Carter's favour.

in the November election race by 61 per cent to 33.

The Billy Carter fow has

gave out a fairly full statement on all its contacts with Mr. Billy

clouded any critical post- But in doing so, it disclosed mortems on the Republican information which, pieced to-Convention, and Mr. Reagan's gether with Press leaks. made

with Mr. Ford as a running mate. The latest Harris Poll was taken just after the Detroit The Carter White House clearly learnt the lesson of Watergate when this week it

Brzeznski used Mr. Billy Carter as a go-between for a meeting with the Libyan Charge d'Affaires to seek Libyan support for releasing the U.S. hostages in Tehran. The serious question is

whether the Administration led both Mr. Billy Carter and his Libyan paymasters into thinking they had influence in the

#### (Advertisement)

# DKB ECONOMIC REPORT

#### Japan's corporate phases in domestic business show conspicuous improvement

Amid the continuing sporadic oil price hikes, the Organization of Petroleum Exporting Countries (OPEC) reached a new price-fixing agreement for crude oil at its general meeting in Algiers early June this year.

The new price system, adopted from July 1, will inevitably push up the average price of imported oil although it is not yet clear how the oil producing countries will increase their crude prices. There is a growing concern that the planned price hikes for crude will adversely affect the economy of various countries, particularly in the fields of prices and business activities.

The economies of some industrialized countries, including the United States, have begun to slow down lately. Under these circumstances, the U.S. Government has been carrying out a relaxation of its tight money policy.

#### Good business prospect

Meanwhile, the domestic economy continues to expand steadily as "microeconomic" business activities are increasingly doing well. According to a short-term economic survey of principal enterprises conducted by the Bank of Japan (as of May), the number of private companies, both in manufacturing and non-manufacturing industries, which consider the present business condition as "good" exceeds by 23 points the number of those which view

the current situation as "bad." The survey also shows that the February estimate for production, sales and profits of business corporations for the fiscal 1980 had to be revised upward in May, indicating that the business trend continues to be in the expansive keynote for

private corporations. The expansive keynote is more or less observed at the macro level of the nation's economy. A recent quick report of the national income statistics shows that the real gross national product (GNP) for the January-March period this year marked a high increase of 1.8 per cent over the previous three-month period — an an-

As a result, the real econnmic growth rate in the fiscal 1979 reached a 6.1 percent level which is slightly above the revised government outlook (6.0 per cent). According to the breakdown

nual increase of 7.2 per cent.

of the real GNP growth. export increased by 6.8 per cent during the January-March period, compared with the previous three-month period, whereas import marked a 3.6 per cent decrease. And the surplus of the current account. which showed a 30.2 per cent increase over the previous three-month period, largely contributed to the extensive growth of GNP on the whole. Furthermore, inventory investment in both the private and public sectors has increased by 46.1 per cent over the previous three-month period contributing greatly to the GNP growth.

Domestic and final demands In contrast to the rapid increase in the demand for export and inventory investments, the upward trend in domestic and final demands

is gradually declining.
That is to say, the increase rate of domestic demand in real terms has been slowing down since the January-March period of last year, with the increase rate for the corresponding period this year being minus 0.0 per cent. The declining trend of the domestic final demand is even worse. It dropped to a 0.5 per cent decrease for the January-March period of this year, compared to the previous three-month

period. Although the overall nation's economy is expanding, every-thing is not going well in all the

aspects of the economy. A look at the recent business trend in terms of industrial production activity, shows that the industrial production dropped sharply by 3.3 per cent in March from the previous month and then increased by

1.8 per cent in April. With regard to the future outlook, the increasing trend in production seems to have entered a lull with the forecast

index of manufacturing industry production predicting that the production rate will decrease by 0.1 per cent in May and 0.6 per cent in June as compared to the previous month, respectively.

The actual operation rate in the manufacturing industry in April was about 91 per cent, and the untrend experienced in the past seems unlikely to occur

#### Favorable trend in export and steady equipment investment

Of all the demand factors, the favorable tone in export is particularly notable. The customs-cleared export in May marked a sharp increase as compared to the corresponding month of last year - a 27.1 per cent increase in terms of the dollar or a 38.9 per cent increase based on the yen.

As for the future trend, there are some factors to be concerned about - a full-scale business recession in the United States, rising economic frictions between Japan and other countries caused by rapid increase in Japanese exports, and a reversal toward higher appreciation of the yen. Judging from the future indexes, such as export letters of credit, however, the increasing trend in export seems due to continue

Although the export is on the increase, dollar-based import is running at a high level mainly due to crude price hikes. The balance of payments thus continues to suffer deficits.

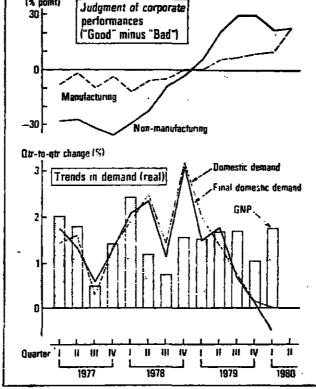
After seasonal adjustment, the current balance in May ended in a deficit of \$962 million. The private equipment investment as well as demands for export has played a leading

#### role in boosting the nation's economy. The increasing trend in the equipment investment is likely to continue for some

Weak demand in field of household economy In contrast to the favorable trend in the demand for exports and equipment investment, demand in the field of the

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Micro and Macro Business Trends

household economy lacks strength. According to the household come and expenditure survey of March, this year, total consumer expenditures of all the households in the country showed a nominal 8.2 per cent increase as compared to the corresponding period of last

However, in real terms, it was only a 0.2 per cent increa due to the rise of consumer prices. Furthermore, related indexes, such as sales by large retail stores and the average outstanding balance of banknotes, all seem to have a declining trend.

Should the consumer prices continue to rise, consumer sentiment will take a cautious step which, in turn, will adversely affect the personal

The private investment in housing is also inactive. The number of new housing starts in April decreased by 10.5 per cent, compared to that of the corresponding month of last

The basic tone of fiscal expenditures has been weak since the latter part of the previous fiscal year as the Government has been putting a restraint on its fiscal spending in view of restrictive demand management.

The outlook of the economy on the whole is not necessarily optimistic, with various negative trends observed in the elements of demand in spite of the fact that the business climate is in the expansive keynote.

#### Uprising wholesale price

As far as price developments are concerned, the wholesale price dropped by 0.2 per cent in May from the previous month for the first time in 19 months since November, 1978, after which the current trend of price upswing started.

price decreases stemming from the higher yen quotation, domestic commodity prices continue to rise. Meanwhile, consumer prices

Aside from the wholesale

in the metropolitan Tokyo area in May increased by 0.7 per cent over the previous month, or 7.7 per cent compared to the corresponding month of the previous year.

The increasing cost of the imported raw materials has caused domestic wholesale goods prices to go up, and this seems to be gradually affecting

#### Talk it over with DKB. The international bank that listens.

DAI-ICHI KANGYO BANK The next DKB monthly report will appear Ang. 26.

#### **APPOINTMENTS** Senior Frankfurt post at Bankers Trust resigning from Robert Fleming duction, Casis Oil Company, and Co. Tripoli, Libya. Mr. Alfred J. Mr. Michael L. Buneman, who has been in charge of Bankers office in Frankfurt since 1979, Mr. Ian G. Sampson is to join

has been promoted vice president. Mr. Buneman joined Bankers Trust in London in 1971, and went to Frankfurt in

elected to the Board of MER-RILL LYNCH INTERNATIONAL BANK. He was adviser to Kuwait International Investment Mr. Karl von der Heyden has heen appointed vice president-

Mr. Giovanni Franzi has been

finance and treasurer of H. J. HEINZ COMPANY. Mr. Douald O. Rausch is to become president and chief executive officer on August 1, of WESTERN NUCLEAR, a subsidiary of Phelps Dodge Corporation. Mr. Richard T. Moolick, a Phelps Dodge senior vice presi-

dent, is at present Western Nuclear president, a position he will relinquish at the beginning of August. Mr. Dennis R. Twining has been named director of metal and ore sale for FREEPORT MINERALS COMPANY and Mr. Frank A. Handler, Jr., has been appointed manager of mineral planning, metal and ore sales.

Mr. Walter T. Joyce has become manager of sales administration for Greenvale Nickel Sales, Pty.

MANUFACTURERS HANO-

an affiliated company.

SCHRODER GROUP develop its unit trust interests. He will be made managing director of a new subsidiary company which will be closely con-nected with Schroder Life Assurance from September 1. .

Mr. C. R. E. Brooke has been appointed a non-executive director of SLOUGH ESTATES. Mr. Brooke was group managing director of EMI until the company's merger with Thorn Electrical Industries in June 1979 and has held senior directorships of several major companies.

Mr. Alan B. Brooker has now chairman of the EXCHANGE TELEGRAPH COM-PANY (HOLDINGS), the Extel Group's parent company. succeeds Mr. John L. Harvey, who has retired after nearly eight years as chairman. Mr. Brooker, managing director since 1969, will continue as group chief executive.

Mr. Jim McGlnn, Mr. Bill Scott and Mr. Arvin Purantk have been appointed directors of ATCOST PROJECTS.

Boulos has been made manager of acquisitions, Continental Oil, succeeding Mr. T. C. O'Dell, Mr. J. A. Iverson becomes manager, administrative services, Conoco department, Continental Oil, and Mr. K. J. Elliott is now manager, administrative services, Conoco. North Sea Inc.

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\* e<sub>71</sub>;

Molex has made two senior promotions. Mr. R. J. Cragg. formerly managing director of MOLEX ELECTRONICS, moves to the European headquarters as director of operations. His new duties will include being responsible for direct operations offices and representaive organisations within Europe. Mr. Jimmy Young, previously sales and marketing manager, has been promoted to director and general manager to Molex Elec-

Mr. N. A. T. Smith a director of W. Harold Perry, has been appointed an executive director of HAROLD PERRY MOTORS, the parent concern Mr. J. W. Matthews a director of County Bank, has become a non-executive director of Harold Perry Motors.

have been appointed directors of ATCOST PROJECTS.

Mr. Jack M. Saunders has been appointed managing director exploration, international operations, CONTINENTAL OIL COMPANY. He replaces Mr. J. C. Patterson, who has been fing. C. Olivetti and C. S.D.A. 

# Manufacturers Hanover executives

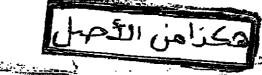
VER TRUST COMPANY has elected Mr. Donald H. McCree, and a member of the general internal policy-making group. Mr. McCree had been senior vice president and deputy general manager of the interhe was in charge of the bank's president, London office. He succeeds Mr. Hanover Corporation, Llowellyn Jenkins, who will remain vice chairman of the Board of the Trust company. business in a region covering In other senior management parts of Asia and the Pacific changes, the following were Basin, He is succeeded by Mr. elected senior vice president John J. Simone, who was senior and deputy general manager: vice president, national Mr. Mark E. Buchman, inter Mr. Miller, who had been national. Mr. David W. Larson, senior vice president in charge operations. Mr. Edward D. of branch operations, adminis-Miller, metropolitan, Mr. John J. tration and consumer credit, Sullivan, national, Mr. Douglas, will replace Mr. Ebert as officer E. Ebert, senior vice president in charge of the branch banking and deputy general manager, group. Mr. Larson, who was will join the senior management

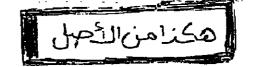
Elected senior vice presidents are Mr. Conrad P. Albert, and Mr. R. Bruce Brougham, nat-Jr. executive vice president in ional, Mr. Charles V. Schenck, charge of the national division Jr. and Mr. Charles R. Walsh, metropolitan. Mr. Stanley Van administrative board, the senior Den Henvel, senior vice president and secretary of both the trust company and its parent. Manufacturers Hanover Corporation. Mr. John R. Price national division. Prior to that has been made senior vice Manufacturers Mr. Buchman had been senior vice president in charge of

senior vice president responsible group of the international divi- for data processing and research, sion. Mr. Ebert had headed the is taking over broader respon-branch banking group of the sibilities in the operations divi-metropolitan division.

Within the national division, Mr. Sullivan will become deputy division head, retaining control of the Western district. Mr. Frederick A. Rager, Jr. senior vice president, will assume responsibility for the Mid-Western and Great Lakes districts, Mr. Brougham for the Mid-Atlantic and Southern districts. Mr. Albert will bead a new region composed of the sub-divided South Western district Br Edward A. Jones, Jr., senior vice president, will now be responsible for the Eastern and North-Eastern districts, and will continue to supervise the development of national division corporate business in Canada. Mr. Schenck is in charge of

the branch banking group's per-sonal loan department. Mr. Walsh supervises the group's credit card department. Mr. Van Den Heuvel had been vice president and secretary. Mr. Price will continue to supervise mortgage banking activities of the corporation and government relations.





# Japanese share of German car market now 9%

BY ROGER BOYES IN BONN

JAPAN'S share of the West German car market has almost doubled over the past year, increasing the fears of German

Volkswagen remained the manufacturers and trade unions, who are already suffering from the radical downturn in the

motor sector.

According to six-month car registration figures released yesterday, the Japanese market share in the first six months reached 9 per cent. In the first half of last year, the Japanese share was 4.9 per cent.

While the number of new cars sold dropped in the first six months to 1.4m, compared to 1.5m in the same period last year, imports accounted for 26.6 per cent compared to 24 per cent in the first half of 1979. This was due to the rapid advance of Japanese vehicles which have clearly taken away sales from German manu-

The scale of the Japanese success over the past three "self-disc years is particularly marked in Japanese. the latest statistics. In the first

to France as Germany's major that the Japanese could push car importer. Motor executives their sales much beyond said earlier this year Japan was 10-11 per cent. This depends fikely to overtake the French in naturally on how far the the course of 1980-81. The German car market contracts french share fell from 10.4 per over the coming year.

Volkswagen remained the most popular German manufacturer and managed to slightly increase its market share from 31.6 per cent to 31.8 per cent, thanks to sales of the VW Golf. Ford and Opel both saw their shares drop. Ford's share of 10.8 per cent, down from 12.5 per cent in the first six months of last year, hovers extremely close to Japan's 9 per cent.

Ford-Werke's chairman, Herr Peter Weiher, recently called for joint action between German manufacturers, the Government and the trade unions to control the steady rise in Japanese imports.

German Ministry has, however, made clear there is no chance of protectionist measures against Japan. Bonn will rely on the ' self-discipline "

Underlying this philosophy is the feeling that Japan's market half of 1977, Japan had a 2.2 per cent increase, in 1970 it had share has limitations. Although their distribution and servicing networks in Germany have improved dramatically over the 9 per cent. proved dramatically over the This places Japan second only last year, it is thought unlikely

#### Tokyo may appeal to **GATT** over U.S. trucks

ТОКУО—Japan is ready to appeal to the General Agreement on Tariffs and Trade (GATT) if the U.S. raises import duty on small trucks from Japan to 25 per cent from 4 per cent, International Trade and Industry Ministry officials said.

They said a U.S. customs decision which reclassifies light-weight truck chassis as unfinished trucks and turns a 4 per cent duty into the 25 per cent levy will take effect automatically from August 21 unless President Carter instructs otherwise.

The higher duty will affect all truck chassis imported into the U.S. in 1979, which had a value of \$1.5bn (£632m).

The Japanese officials said

the decision to reclassify imported goods and eventu-

ally raise their import levy

ran counter to GATT rules. In recent years, the Japanese have been exporting mini-pick-up trucks to the U.S. in two pieces, chassis and body, which are then turned into one truck using boits.

Japan last year exported 440,000 trucks to the U.S. Reuter

• NEWS ANALYSIS—TECHNICAL BARRIERS

BY MARGIE LINDSAY

# Stopping a 'trade war' within EEC

TECENICAL BARRIERS to that member states set up free trade within the EEC con- network to deal with standar

posal by Industry Commissioner for test certificates.

Viscount Etienne Davignon to This report will be set up an information system in the autumn by the heads of on technical regulations and EEC industry ministries. on technical regulations and national standards and to slow Various methods used by down the proliferation of EEC states to protect their harmonising measures, is only home markets are highlighted in a survey on non-tariff barriers and solution for a particular

Technical barriers have worried Brussels and member states for some time. In the past 18 months Viscount Davignon has taken a particular interest in seeing that something constructive is done to stop what is seen by some as an escalating "trade war" within the EEC.

On his initiative a committee The group produced a report which urged him to find some standards created by each member state. This he is trying to

A sub-committee recently approved a further report which concludes that the Commission should be careful to produce directives only if they are necessary. It also recommends

SEOUL

network to deal with standard-isation problems. This would tinue to be the major obstacle isation problems. This would to the establishment of a "cominvolve a contact point or mon" market within the Comperson in each member state mon" market within the Community. Despite several initiatives by Brussels, the problem
still persists.

The latest attempt—a pro-

This report will be discussed

in inter-state trade carried out on behalf of the West German Ministry of Economics in Bonn. The study, undertaken in

October - December, 1979, and based on around 800 cases, is expected to be published this autumn and sent to the EEC Commission and European Parliament. The Germans find the French

of senior government officials and Italians to be the greatest and experts on standards from each member state was set up.

The group produced a report whereby other member states which urged him to find some require certificates of origin for way of co-ordinating the many goods which are clearly labelled as being made in a member state. Under an EEC directive passed in April these certificates should be required only in retrospect—not before goods can enter a member state.

The survey found there were nearly 250 complaints on certificates of origin. The main

FUKUOKA

HONG

KONG

TAIPEI

PENANG

LUMPUR

**JAKARTA** 

SINGAPORE

Technical barriers have worried EEC member states for some time. Viscount Davignon has taken a particular interest in constructive efforts to stop what is

seen as an escalating

trade war " within the Community.

Viscount Etienne D'Avignon

NAGOYA

KOTA

the most complaints across the board was textiles.

The French defend their certificates of origin as the only way they have of checking that third-country imports, particularly from Eastern Europe, are not entering the EEC through a member State where the goods change "nationality."

The Germans, meanwhile, have been accused by other member States of using technical norms and standards to keep out other EEC goods. Using what has become known as the "alibi theory" West Germany can block imports for health and safety reasons and on the grounds of protecting consumers. This can both delay and inhibit imports into West

that West German goods are given preferential insurance (the German national standards action open to them.

conflicting guidelines issued by methods of blocking EEC government officials and the imports. As one senior UK long time lag between sub- government official said: "I

TOKYO

offenders were Italy (48 per cent) and France (41 per cent) industry to tell the Commiswith Ireland (7 per cent) sion, Court of Justice and the coming a slow third. Heading European Parliament of the list of sectors which received examples of barriers to free trade. But companies are reluctant to complain too much in Brussels or take member states to Court, fearing some form of adverse effect on their business in the country causing the problem.

The European Parliament, through a special committee chaired by EP vice-president Basil de Ferranti, is eager to help. It hopes to be making its contribution. contribution to ending these trade barriers when it publishes and debates a report in its October session. The reportin draft form says the Commission should be given greater powers to issue implementing provisions. It says that the powers granted to the Commis-sion should be more specific and calls on the Commission to Germany.

It has also been pointed out for companies faced with that West German goods are given preferential insurance duct an "intensive campaign to treatment if they carry DIN tell them about the courses of

institute) approval.

The UK comes in for relatively little criticism. The main complaints centre on the service of the states, and increase the mitting a product for testing really think the EEC should and certification for sale in the UK.

really think the EEC should put its own house in order before building an extension." put its own house in order before building an extension." We fly to Hong Kong-but we don't stop there.

# Ireland's industry board chief resigns

BY STEWART DALBY

MR. MICHAEL KILLEEN is to the main driving force behind resign as the managing director the country's industrialisation, of Ireland's Industrial Develop- filling the demand created by ment Authority (IDA).

private sector as deputy chair-man of Irish Distillers, one of where 50 per cent of the popu-Ireland's largest companies lation is below 25. which also has on its board Mr. Jack Lynch, the former Prime Minister. It appears that Mr. Killeen has been promised the chairmanship of Irish Distillers by the middle of 1983.

The IDA, in general, and Mr. Killeen, in particular, have heen a great Irish success story. He became the managing director in 1969. The IDA has so far created 150,000 new jobs sector nere em a total of 245,000 people.

people coming off the land From early 1981 Mr. Killeen coupled with a rapidly growing will take up a position in the workforce - Ireland is the only

> Using a generous package of incentives including grants, loans, a de facto tax holiday system, the IDA in the period 1960 to 1978 attracted 800 foreign companies which invested I£1.6bn at 1978 prices. This should be seen against Ireland's GNP today of 1£8.3bn

The Government has therewhich is a considerable achieve-ment given that today the manu-National Economic and Social Council, to produce a repor by early 1981 re-evaluating The IDA has therefore been Ireland's industrial policies.

# Nigeria port strike

- The Nigerian Ports Authority was carried out by other refused to comment on reports members of the staff.

pilots were the first to go on strike, and initially the work

The New Nigerian newspaper Officers and Water Transport

# TANKERS and cargo ships were failed to agree on demands for

#### unable to enter or leave more tug equipment. The Nigerian ports yesterday follow- requests were first made in ing a strike by ships' pilots. April this year. which began in Lagos and has spread to the rest of the

which said that following the pilots' decision to carry out in support of improved pay conditions, the country's ports were

The strike was called after pected of having started the management and the pilots had strike.

Junior staff who assist the

said the general secretary of their long-standing strike threat the Nigerian Merchant Navy Senior Staff Association, Mr. virtually paralysed.

J. O. Akintola, was taken by
The normally busy ports of police to the Nigerian Ports
Tin Can Island and Apapa Authority headquarters and told Wharf in Lagos showed no to stay out of the ports signs of movement yesterday. altogether because he was sus-

# S. Africa chemicals boost

BY BERNARD SIMON IN JOHANNESBURG

SENTRACHEM, South Africa's manufacture of mining and rubsecond largest chemicals pro-ducer, has announced a R110m anhydride, a raw material for (£60m) expansion programme almed at reducing the country's polyester resins.
dependence on imported cheminaddition, Sentrachem in

which is used in the

the production of unsaturated

dependence on imported chemicals and raising exports. The expansion is based partly on raw materials to be supplied as by-products of extensions to thates are used as reagents by the mining industry and the Sasol's oil-from-coal plant. the mining industry and the The expansion will make company hopes to export size-south Africa self-sufficient in able quantities to meet a world-

Aircraft financing burden worries U.S. Eximbank

activity might be trimmed yet still maintain the dominant world market position for U.S. manufacturers.

The Eximbank's top officials and directors will meet next Monday on aircraft lending Policy questions.

in the three years starting next liners. October 1 to foreign borrowers AP-DJ

WASHINGTON—With more commercial aircraft financing business than it probably can handle over the next three years, the U.S. Export-Import Rank is considering several options on how its lending activity might be trimmed yet of United Technologies.

The distinct of Commercial aircraft financing airliners produced by Boeing, Lockheed and McDonnell Donglas, as well as jet engines made by General Electric and the Pratt and Whitney division of United Technologies.

In addition to these Exim-In addition to these Eximbank preliminary commitments, U.S. aircraft makers expect they will need \$4.5-5bn (£1.8bn) in further credits from the Eximbank and other lenders over the next two or three years to help complete "future sales" of both their new-The Eximbank has outstand- generation commercial jetliners ing commitments to provide and such existing models as about \$4bn (£1.68bn) in credits Boeing 737, 727 and 747 air-

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Top civil

servants'

in the telecommunications and

microelectronics industries,

At the same time the

Government's policy of slim-

ming down the size of the

civil service is being taken a

step further, with a reduction

from six to five in the number

of deputy secretaries em-

These changes will come into effect by the end of the year and will follow the

retirement during the next

few months of two deputy

The main change will be that responsibility for the

telecommunications and elec-

tronics industries is to be transferred to the deputy

secretary who already handles the Post Office, which is a

major user of the indsutries'

He is Mr. Roy Croft whose

other responsibilities include

the shipbuilding and aero-

The grouping of the tele-

communications activities—

including the general use of

electronics in industry— within one division reflects

the Government's growing

interest in developing a co-

ordinated approach to areas

of high technology, especially information systems.

Ministers accept that the

State must play a significant

role in this area and the

Prime Minister has approved

space industries.

ployed by the Department.

posts

LY MICHAEL LAFFERTY, BANKING CORRESPONDENT

mortgage scheme with loans of mortgages between £20,000 and £40,000 considered.

ised through a new subsidiary, fluctuating base rate, with a with all our vigour once we National Westminster Home minimum of 9 per cent. are free to do so." Loans. Details of the plan have been sent to NatWest branch offices this month, and several building societies and not the now display brochures about it day-to-day method used for The NatWest scheme is the normal banking advances. first move by a clearing bank For example, a person borcontrols were abolished last interest at 18 per cent, equivamonth. Last year both Lloyds Bank and announced pilot mortgage

NatWest will consider payable. requi will

WESTMINSTER per cent of the house valuation manager in charge of domestic Bank has launched a house or purchase price, and remortgage scheme with loans of mortgages will also be

The rate of interest will be scheme on "a low key basis. The scheme is being organ- 2 per cent over NatWest's own

The calculation will be on the annualised basis used by

lent to a true annual rate of Midland Bank 20 per cent, with a monthly repayment of £545. Front end fees of £223.65 would also be

reshuffled TWO of the top civil servants' posts in the Department of banking at NatWest, stressed Industry are being reshuffled last night that the bank was to improve the co-ordination starting the mortgage of the Government's interest

At present the clearing bankare being directed by the Bank of England to restrict their mortgage lending.

We shall attack this market

 Barclays Bank has launched a scheme under which loans on home loans since corset rowing £35,000 now would pay up to £50,000 will be available to new businesses, with security based only on the assets of the business. The loans will be available for five years and no repayment of capital will " required until the end of the

PHILLIPS PETROLEUM, the any delay could bit the fields' U.S.-based oil group whose economics. "Such a policy

The company is operator for a consortium which wants to be detailed gin the \$1bn-plus development of the Toni, Thelma and Tiffany complex of fields. Mr. David Howell, Energy Secretary, said on Wednesday that this develop-National Oil Corporation's Clyde Field project, might be held Power and Light, and Oll back in order to help to regulate Exploration (London and Scotthe rate of North Sea oil produc-

Phillips, confirming that it the block, number 16/17. was having discussions with the

must be recovered by placing fields on production." The company added that a

detailed development pro-gramme would not be submitted to the Energy Department until further appraisal drilling had been conducted on the "T block ' which contains the three ment, together with British fields. Phillips and its partners —Petrofina, Agip, Century Power and Light, and Oil

some fields discovered after 1975. Mr. Howell has said that each project will be viewed on

duction levels. BNOC, as operator of the Clyde Field, would say no more than that officials were in dis-

panies were not getting "a

fair crack of the whip" even

cheaper and superior equip-

were being applied and some

consultants and local authori-

ties specified they wanted

In a leastet sent to Ministers,

MPs, nationalised industries,

local authorities and profes-

sional bodies, the manufacturers

The agency is also selling four

existing factories for more than

£1m, as part of its efforts to

Meanwhile, the agency's annual report, out yesterday,

covering a record 1.2m sq ft,

eventually expected to provide 5,000 jobs, was allocated to companies in Wales last year.

The report showed that last

year the agency spent £61.3m

The Welsh Development

Agency is suing three more

former directors of the com-

pany in which it made its big-

gest ever single investment, of £2m.

damages from the former directors of P. Leiner and Sons

British manufacturer of gela-

day that writs have been served on the former group chief execu-

tive, Mr. Ernest Osman, on Mr.

Allan Henry, former company

accountant and on Mr. Ian

Hughes, former sales director.

The agency confirmed yester-

Treforst, once a leading

the principality.

raise private sector funds.

Britain different rules

when they

ment.

were offering

the changes. The rest of Mr. Ridley's and Mr. Bullock's responsibilities, including the steel SLP wins £18m Marathon order industry, will be taken over by Mr. John Steelc, 51, who has had a variety of posts in the Departments of Trade and Industry and is at present involved in international commercial relations and

> • The Government hopes whether to grapt the National Enterprise Board's Inmos micro-electronics venture an extra £25m within the next

• FRAUD SAVINGS: The predicted £50m saving from Government's against social security fraud and abuse is being achieved. the Minister for Social Security, Mr. Reg Prentice, announced in Parliament yes-

• SMALLPOX SILENCE: Mr. Patrick Jenkin, Social Services Secretary, yesterday refused to be drawn into hlaming or absolving Birmingham University for the killed Mrs. Janet Parker. a

• FISHY STORY: More than 50.000 kilometres of rivers and canals in the United Kingdom have been designated as capable of meeting the quality standards of a European Community Direc-tive on fresh waters supporting fish, Marcus Fox. Parlia-

• MEALS CHOPPED: Dorset County Council yesterday decided to stop providing meals in its 180 primary schools, in an attempt to save £720,000 over the next two school terms. About 600 staff are expected to be made redun-dant by the edcision. About 3,000 pupils who have been receiving free meals will be David Fishlock looks at a £2.5m joint development programme

# Search begins for intelligent robots

THE SCIENCE Research Council yesterday announced a commitment of £3.5m to a joint effort between univercities and industry in Britain to leapfrog present robot technology and develop a new generation of industrial robots.

GEC-Marconi and Lansing Bagnal are the first industrial groups to participate in the programme.

In each case, the aim will be to develop a generation of intelligent robots from the standpoints, respectively, of a potential large-scale user of robots and a potential robot manufacturer.

Intelligent robots will be essential for the automated

assembly of electrical and electrical systems, says Mr. Clarke, Marconi's technical director responsible

Mr. Clarke says no robot now available is mechanically accurate enough for the assembly of electronic systems involving silicon chips.

GEC-Marconi, which has its own research programme into automated assembly of electronics, will collaborate with Hull University on interactive automatic assembly.

Lansing Bagnall, the factruck manufacturer, sees a future for a free-roving automated industrial truck. It is collaborating with Warwick University in a venture hased on a tracked robot called Commander Bill, developed by the university. A third partnership is being

established between Nottingham University and the Production Engineering Research Association. The Science Research Coun-

jects, said Mr. Peter Davey. He is responsible for the councils' programme of research in industrial robotics, which is being co-ordinated from its Rutherford Laboratory in Berkshire.

Mr. Davey's job is develop a community of interest in robotics, to encourage companies to participate, and to assist the transfer of research results to industry, said the council

yesterday.
Its Engineering Board plans to make at least £500,000 a year available for the next five years. The programme's initial objectives lie with industrial manufacture and distribution rather than with robot coalmining or diving systems, which are seen as longer-term objectives. Mr. Davey, recruited by the

council from Oxford Univer sity to set up the programme. says it is already too late for British industry to attempt to embellish the present generation of "blind, dear

and daft " rebots. But he sees an urgent need for robots that are about one quarter the present cost, faster, more accurate and more rel'able, and "tolerant of disorder so that they can muddle through when things are not quite right."

He is looking for industrial companies ready to participate with polytechnics or universities and willing to put up about 25 per cent of the research cost. The British Robot Association, trade. association of robot manufacturers, plans to canvass industry with details of the

Lombard, Page 14

#### They are Mr. Philip Ridley, who is responsible for steel chemicals, and textiles, and Mr. Richard Bullock who is North Sea development policy responsible for engineering and electronics, including the motor industry and the telecommunications manu-'could hit future explorations' facturing industry.

BY RAY DAFTER, ENERGY EDITOR

plans may be delayed by new has warned that the policies cause large exploratory costs could hit future exploration must be recovered by placing

tion during the mid-1980s.

Energy Department, said that opinions within the offshore cussion with the Energy Depart-executives were concerned that industry yesterday about the ment.

three modular units to house

production processing equip-mentin the North Sea Brae

The units will be built at

SLP's new Hamilton yard in the

They should guarantee con-

tinued work for the group's

The modules, to be installed

on Brae's production platform,

155-miles north-east of Aber-

deen, are scheduled for com-

**Discrepancy** 

over value

By John Griffiths

apparent yesterday.

more than £10m.

to raise it.

of Fodens

WIDE gulf between

Fodens receivers' view of the

Cheshire truck maker's value

and that of the only declared

potential purchaser, the T. J. Richardson group, became fully

Before a meeting in London

yesterday with Sir Kenneth Cork, one of the joint receivers,

Mr. Roy Richardson, joint chair-

man of the Oldbury, Birming-

ham-based property and motors

group, had said he expected to be able to buy Fodens for no

"Sir Kenneth was very frank." he said afterwards, "but

he discussed figures between £30m and £40m. Our group do

not consider Fodens worth any-

group was not abandoning its

It expected to receive more

information on Fodens overseas investment and military con-

tracts before deciding whether

He claimed that because of

the current truck industry reces-

sion, "the receivers will have to decide quickly whether to continue to run Fodens as a company or close down and sell it off piecemeal. Time, there-

But Sir Kenneth made it clear

that he did not consider Richard-

fore, is on our side."

Mr. Richardson said the

where near this figure."

BY MARTIN DICKSON, ENERGY CORRESPONDENT

tract from Marathon Oil for for three modules.

outer harbour at Lowestoft. Maurice Samuelson.

750 employees at yards in the going mainly to Italy, Sweden

and

U.S.-based oil group whose economics. "Such a policy North Sea field development could also have a detrimental effect upon future exploration Government depletion measures, activity throughout the UK be-

tish Marine Oil)—are currently

There was a mixture of

Group has won an £18m con- also won an £18m Brae contract yesterday that British com-

British manufacturers of oil

and gas burners have appealed

to heating engineers to Buy

British in retaliation for what

they see as growing protection-

ism by other countries, writes

manufacturers are sometimes

not even approached to quote.

pletion in 1982. Charlton-director of Dunphy Oil and cessions or low cost labour.

Germany. But British

BY OUR OWN CORRESPONDENT

A £3m VENTURE to boost

advance factory building in

Wales has been agreed in prin-

ciple between the Welsh Development Agency and the

a new agency policy to attract private sector cash into factory

The agency says the new

source of cash will help main-

tain the pace of factory build-

ing at a time of Government

director, said it was hoped the pension fund deal would be the

first of many. "We have a num-ber of other promising deals being lined up with the private

sector."

The deal with CIN Properties, which holds the property investments of the coal industry

pension fund, will provide nur-

sery, factory and warehouse

The agency will conclude a

sale and leaseback arrangement

with CIN Properties and under-

take day-to-day management of

building.

the factories.

Mr. Ian Gray, WDA managing

building in the principality.

Miners' Pension Fund.

SLP Leslie Offshore of Tynside has Gas Burners of Rochdale, said

They claim that orders are foreign-made burners.

One of the manufacturers, say they make the world's best

Mr. Malcolm Dunphy, managing burners without hidden tax con-

Pension fund to put

cash into factories

The deal is the first stage of showed that factory space

The

a field-by-field basis. Some share Phillips's view

that delays could push up costs and reduce profitability. Others pointed out that, with oil price rising in real terms, a delay could be to the benefit of some companies. Many would prefer a policy of delayed projectswith operators being allowed to produce at maximum potential once the field was on streamto a depletion strategy based on uncertain cut-backs in field pro-

drilling two appraisal wells on

export development.

two weeks.

It was announced yesterday that the Industry Department has received the NEB's recommendations on the future of the project.

laboratory photographer.

mentary Under-Secretary, Environment Department, announced yesterday.

# ICL to offer new computer link system

BY GUY DE JONQUIERES

with a wide variety of terminals. sation of the Inla Dr. Chris Wilson, ICL's PAYE operations. Managing Director, said the net- The project calls

formation Processing Architecture (IPA), would provide the focus for the company's darea. ment strategy for the next

It would allow ICL to take full advantage of the commercial opportunities opened up by the increasing convergence of dard communications networks. computer technology and tele- This is thought to have given communications, particularly in the field of electronic office

Lt (ICL) is to offer its customers ing whether to allow American remote computers. a new technique for building computer companies to compete But ICL claims sophisticated communications against ICL in bidding for a superior to nival network linking computers £150m order for the computeri- methods, notably IBM's Systems sation of the Inland Revenue Network

> The project calls for installawhether it planned to propose to the Inland Revenue a system incorporating IPA.
>
> Most other big computer

them a competitive edge over ICL, which has had to improvise ystems. solutions on a case-by-case basis to buy, for an undisclosed sum, The announcement comes as for customers who required a private company called Micro-

companies already offer stan-

INTERNATIONAL Computers the Government is still ponder- communication links between But ICL claims that IPA is

> Architecture, in several respects. It is designed to accommodate any type of computer, not just machines, and to meet all existing and planned international standards. David Caurchill writes: Laskys, the High Street hi-fi

> chain, yesterday moved into the expanding home and business micro-computer market with the acquisition of a small Liverpoolbased company already retailing micro-computers.

Laskys said it had negotiated

digital to provide the expertise for sales of micro-computers through Laskys' 40 stores in the

Mr. Peter Klein, Laskys managing director, said the microcomputer market was "a natural extension of our growing hi-fi and video business and it is our intention to develop the business and establish micro-computer departments in our major stores."

Laskys will face considerable competition from other retailers such as Currys, which are already expanding into selling micro-computers for home or estimates suggest that the total market for these small computers could be worth as much as £500m by the mid-1980s.



#### Prison overcrowding worsened in 1979

The daily average prison population also reached its highest level at 42,220, 424 above the 1978 average. The population reached its peak of 43.036 in November, according to the Home Office's latest report\* on

continued to worsen last higher without income generayear, with a record 16,585 pri- ted by prison workshops and farms. Farms earned £36m last year. Mr. Denis Trevelvan, director-

general of the prison service,

says in the forward to the report: "No one who has read the report of the May Committee of Inquiry into the prison service can doubt the magnitude of our problems-the chronic overcrowding, decay of buildings, poor conditions for staff and prisoners and the deterioration of industrial relations over many years.'

Report on the work of the Prison Department 1979 (Cmnd. 7965) HMSO £4.

# OVERCROWDING in Britain's The costs would be much

soners sleeping two or three to

the Prison Department. The total cost of running the prison service, less receipts, in 1978-79 was £285m. an increase of £43m on 1977-78. The average cost of keeping an inmate

in prison for a week was £113, ranging from £232 for top security to £80 for a place in an open prison.

## New confidence in silver

shrugged off the uncertainty for a James II porringer and caused by the wild fluctuations cover with Chinoiserie decorain its bullion price last winter. tion. judging by the prices paid at an auction of English silver at £13,500 from Koopman for a Sotheby's yesterday which canteen of George IV Kings totalled £332,268 with a reason-busk pattern table silver, 124 items in all: and £11,500 for a top price, and over twice the set of eight George III table candlagticks by John Spafeld judging by the prices paid at

THE SILVER market has mium and VA<u>T</u>, paid by Spink

estimate, was the £21,000, plus candlesticks by John Scofield, the 11.5 per cent buyers pre-

SHELL UK OIL won the £2.000 national management championship yesterday by a margin of only £40,000, the smallest recorded since the annual computer-based contest started in 1970, writes Michael Dixon.

The winners, seen above with Lord Trenchard. Minister of State for Industry, who presented the prizes at Plaisterers' Hall, arc: Mr. A. F. Plumb; Mr. P. N. Snaith, Mr. R. G. Curry; and Mr. R. F. Gray. Lord Trenchard was deputising for the Duke of Kent, who was at the memorial service for Sir Seretse Khama in Botswana.

Shell took the championship by managing its "paper" consumer-durable company to a profit of £10.78m. Its prizes include the FT Rosebowi and an expenses-paid seminar at Management Centre Europe, Brussels. It will compete for the UK against seven countries in the European championship in Copenhagen in September.

The second prize, £1,000, went to Rank Xerox UK, which finished with £10.74m profit. Samuel Montagu, with £10.2m, took third prize of £750. The £500 fourth place went to IMI (Eley) with

Three of the four finalists have been in the prize-money in previous championships sponsored by the Financial Times, ICI and the Institute of Chartered Accountants in England and Wales, in association with the CBI and the Institute of Directors.

back the money supply just because the anticipated switch

in lending has occurred faster

to the next two or three months

money supply figures. The overall position will be

overall position will be reviewed in the autumn

when the Government has

to decide on the rollover

of the monetary target for the

following 12 months. The prob-

lem is that any boost to sterling

M3 as a result of the end of

the corset will raise the base

Most City analysts support

the official view because of the

deepening recession and the expected fall in the underlying demand for credit, and there-

fore believe MLR will fall this

year. Cynics say that, in spite

for the next target period.

This view applies very much

#### turing the last few months and looks set to stagnate during the rest of the year as the recession squeezes real incomes. Sales during the first half of 1980 have still, however, kept slightly ahead of the 1979 Although the car average.

**Spending** 

likely to

stagnate

THE VOLUME of consumer spending has failen sharply

industry has been particularly hit by falling demand, the consumer sector as a whole so far seems to have escaped the full impact of the economic down-Figures published vesterday by the Central Statistical Office

show the volume of spending fell 3 per cent during the second quarter compared with the first three months of the year. Total consumer expenditure

at constant 1975 prices, seasonally adjusted, was estimated at £17.5bn. This was around the same as the second half of last year, and compares with the 1980 first quarter figure of £18bn.

More than half of the second quarter fall was accounted for by a 33 per cent big drop in vines and spirits sales. This reflected the large scale buying of alcohol in the first three months ahead of increases in drinks duty in the March Budget

A 20 per cent seasonally adjusted fall in car registrations also contributed to the decline. This followed a buoyant first quarter in which many manufacturers cut prices to boost turnover.

Demand has also fallen lately for a wide range of other goods and services: Clothing and footwear sales have fallen in spite of big price-cutting promo-tions by retailers. Beer sales have fatien by

around 4 per cent during the past quarter, mainly because of the unseasonable weather, and tobacco spending is also down. The volume of durable goods sales does not appear to have dropped significantly—perhaps because of price cutting in the Because first quarter con-

sumer spending was duite buoyant, expenditure for the first half this year is still nearly 1 per cent above the 1979 average.

Spending for the year as 2

whole is generally projected as being little changed from last year - although most forecasters are predicting a fall of 2 to 3 per cent in gross national product.

Lisa Wood adds: Higher earnings have contributed to an expected £687m surplus in the national insurance fund by the end of the year, compared with a surplus of £46m forecast in a report last November. says a Government report.

The Government Actuary report says the surplus for 1979-80 was estimated at 1889 but had now increased of 5222.

"Higher earnings this assumed, higher than expected receipts of State Pension premiums and lower than expected expenditure on sickness because of the contract expenditure sickness benefit are the make reasons for the higher surplus says the report. It includes the order on benefit increases, due

(Report by the Government Actuary on the draft of the Social Security Benefits Oprating Order 1980.)

# Government troubles following end of the corset

sons to be a serious contender. A PERENNIAL problem of This was a form of lending— While a full evaluation of monetary policy is that when-otherwise known as the bill leak Fodens assets had yet to be ever the Government's attempts which escaped the controls and to control a major component did not count within the figures made, their sale debts-free require well above of the money supply the result for sterling M3, the broadly is evasion.

This distorts the monetary statistics on which the policy is based and makes it more difficult for the Government and the markets to judge underlying trends and to reach a view on interest rates.

This is the case following the end of the corset controls in mid-June. The corset laid down limits on the growth on the interest-bearing eligible liabilianalysts took this into account. ties of the banking system, a large part of their deposits.

held outside the banking system. tor.

defined money supply. The authorities did not

attempt to plug this gap largely quantifiable evasion elsewhere in the system.

analysts took this into account. Less account has, however, been taken of possible changes The result was to encourage in the composition of bank lenda shift of the banks' operations. ing. There is evidence that This mainly took the form of a banks allowed lending to local diversion of lending into accept- authorities to decline relative

ance credits or commercial bills to advances to the private sec-

It was estimated that this leak

was equivalent to about 2 to 3

Peter Riddell on a perennial problem of monetary policy

because it was measureable and ernment or, more significantly, ended, readily identifiable. Any further from the money markets. Comcontrols mights have led to un panies have, for example, been increasing their deposits with local authorities.

> The end of exchange controls last October opened the further gap of borrowing in sterling overseas. The banks gave an undertaking to the Bank of England that they would con-tinue to observe the spirit of the corset controls and not explot this loophole. But some leakage has probably occurred.

Local authorities have bor- tional channels and within rowed either from central Gov- sterling M3 once the corset

City analysts were, however, uncertain about how large and how long the switching would . be. However, on Monday Mr. Gordon Richardson, the Governor of the Bank of England, told has been more excessive than a Commons committee that the was realised at the time," the impact of the end of the corset could be "swifter and more substantial than has been thought likely."

There are already indications that some of the switching should attempt to compress the occurred in the banking month rate of monetary growth back. It was always expected that to mid-July. This will inflate within the target range; of official claims the growth of some of this lending would be switched back within convenswitched back within convenpossibly ensure the annual rate former view because it feels it demonstrably under control.

of growth remains above the 7 would not be sensible to rein to 11 per cent target range. Leading monetary commen-

tators and stockbrokers, W. Greenwell, now believe the impact of the end of the corset is likely to be greater than previously estimated. The total could amount to as much as 4 per cent of sterling M3. "If this occurs, the implication will not be that current monetary growth is excessive

but that past monetary growth brokers say. The key question is whether this should be treated as just

a temporary once-and-for-all blip or whether the authorities

this November,

هكنامن الأجل

"There are 50 acres of covered property, one of the mest modern plants in Europe and £20m worth of work in progress. "The service department alone made £4m last year. Mr. Richardson is far off the mark," he declared. Sir Kenneth said that details

Richardsons' likely limits.

of Fodens business had been supplied to a number of interested parties, including contacts yesterday with what he des-cribed as a major U.S. international manufactuer." But there was still "nothing concrete. There have been no formal offers; at this early stage I wouldn't believe it if even I **UK NEWS** 

# clopment program

# Steel marketing pact wanted

new chairman of the British Steel Corporation, within the weeks to demand a mutual interest pact of steel

The National Association of determination to adopt an agressive marketing approach should not conflict with the interests of the stockholders, whose im-portance was highlighted by the winter's national steel strike.

BSC holds around 11 per cent of the steel stock market through its own stockholding operation and NASS is anxious that this percentage should not increase. Nearly 40 per cent of steel used in the UK comes from stockholders.
"Mr. MacGregor has said he

wants to run his mills at a high activity level. We want him to produce British steel and we the stockholding industry will try to sell more British steel." said Mr. Richard Rawlins, NASS executive director.

Imports of foreign steel are running at a very high level in the aftermath of the steel strike, but NASS says it has no evidence that long-term import relationships have been established as a result of the

There is the prospect that stockholders could increase imports if they feel they are facing unreasonable competition caused by a change in BSC marketing policy.

The National Association of Steel Stockholders is concerned that Mr. MacGregor's that 26 per cent of stockholders are currently bolding excess stock, 11 per cent have too little, while the remainder are getting back into balance.

> NASS has written to Mr. Bill Sirs, general secretary of the Iron and Steel Trades Con-federation, and will also tell Mr. MacGregor that it is totally opposed to union demands for a 10 per cent cut in BSC prices as a swift means of stimulating demand for British steel. The association has told Mr. Sirs that a highly-publicised cut in BSC prices would provoke retaliation on a world-wide scale.

The EEC Commission yesterday announced another round of grants totalling more than £1.5m to assist workers re-adapt to modernisation or closure in the steel industry. Yesterday's grants will help provide training, pensions and redundancy payments to employees in the oloyees industry in West private steel Sheffield and Midlands.

#### British Celanese to lose 226 more Spondon jobs

the Courtaulds group, is to activities. sphsidiaries, the Derwent Dyers and Celon plants, and is byers and octon production of the redundance

After the redundancies, British Celanese will still em-Mind ploy 3,800 people. A few years ago the total was 6,000. About 90 jobs will be lost in

ise. The administration and West, where the group per cent.

ERITISH CELANESE, part of has been concentrating its make 226 more people redund-int, in addition to the 750 dent of the Confederation of announced last month, at its plants at Spondon, near Derby. The company is closing two subsidiaries. The Derwent school leavers. He is writing to CBI members asking them to recruit as many young people as possible, and to step up offers of six-month periods of "work experience" under the Government-backed Youth Opportunities programme.

Wakhamstow, London, with the Strongpac, a Dutch company dosnre by Tootal, the textile manufacturing plastic bottles group, of its Rael-Brook ware for soft drinks, is opening a factory at new wavebousing of Rael-Brook— Northants., which will mean part of Tootal's clothing divi-nearly 100 jobs in a town with will be transferred to the an unemployment rate of 15

#### Methods to curb public expenditure criticised

larly wishes to avoid any increase above planned levels in the size of the public sec-tor borrowing requirement and to discourage any con-cessions by public sector employers to high wage demands," he writes in Public But Central Government

Government's attitude to eash limits reflects its determination to control inflation. Those affected argue that cash limits, when judged by the considerations of cash flow control, are inadequate and that what the Government is really doing is achieving, by the back door, cuts which it would not otherwise have dared to seek," he argues.

Mr. Hepworth implies that local authorities and their treasurers ought to think carefully before deciding how to react to the latest method of judging overspending. "The danger of unsophisticated reactions to complex problems is that fundamental damage may occur," he says.

Meanwhile, the Confedera-

director general, told Mr. Tom King, Local Government Minister, yesterday that "irresponsible action" by local authorities should not allowed to undermine Government's overall economic strategy.

Industry must be protected from the "crippling burden'

A STRONG attack on the Government's "crude and un-sophisticated" weapons against public sector spending is made today by Mr. Noel Hepworth, director of the Chartered Institute of Public

"The Government particu-

had only crude and potentially damaging weapons, an example being the way in which local government spending levels were being judged. Local authorities have been asked to refile their 1980-81 budgets by next weekend with the aim of showing a cut of 2 per cent over 1978-79 actual expenditure. But that method urns authorities otherwise judged to be underspenders into overspenders, and vice

" Central

tion of British Industry is stepping up its campaign for Mr. Bryan Rigby, deputy

Andrew Fisher on the Government's proposed insolvency procedures

# Streamlining the way to bankruptcy

to tidy up Britain's bankruptcy in the accountancy profession. Its proposals to simplify bankruptcy administration, dating in down the work of the courts, its present form back to the But the Official Receive 1880s, are mainly concerned with reducing the work of the

Official Receivers and saving several million pounds a year. But in formulating its new scheme, it has set aside the recommendations of the Insolvency Law Review Committee. which was set up three and a individual and corporate insolvency and which has produced a special interim report on personal bankruptey.

The Government seeks to amend the bankruptcy laws so that most of the work is done by private receivers. Legislathe 1981/82 session of Parliament, with the new procedure in operation around the end of

This, it is hoped, will reduce the staffing in the Insolvency to comment on the Govern-Service at the Department of Trade by about 570 people over Instead of more than 30 Official Receivers in 35 regional offices, there would be fewer than 10, with only five offices. Thus the Official Receivers, who are employees of the Department, would be taken right out of the personal bankruptcy procedure.

In its Green Paper, or con-

BY SIGNALLING its intention sultative document, on the or the public interest. "The bankruptcy" for serious cases, the sharp rise in deposits payto tidy up Britain's bankruptcy subject, the Department said system is, without any doubt, whether judged by size, by the able by creditor and debtor procedures, the Government the new proposals, under may well have caused annoyance which bankruptcy petitioners under would have to meet receivers' costs themselves, would cut But the Official Receiver would continue his present

winding-up of companies in financial trouble. And to protect creditors' rights, the Government will keep the slimmed-down proce-dure under official control.

The private receiver, prehalf years ago to look into sumably from one of the accountancy firms which cialises in insolvency, would be supported by the court's authority and the Department of Trade would still have a supervisory role.

The Insolvency Committee, chaired by Sir Kenneth Cork. tion is likely to come in during a former Lord Mayor and partner in the W. H. Cork Gully company of insolvency cialists, is to make its final report next spring.
Although Sir Kenneth declined

ment's proposals, the committee is known to feel its own simplithree years, saving £3m a year. fied scheme would be better. and also reduce the burden on the courts.

day the committee described present bankruptey machinery as "replete with technicalities and anomalies." It did not work efficiently,

from the point of view of the insolvent debtor, his creditors,

in need of overhaul," the committee added. Underlying system, wrote the Cork Com-

mittee, is "a strong under-current of what can conveniently be described as retributive and punitive justice towards the debtor."

The present system has "a strong undercurrent of what can conveniently be described as retributive and punitive justice to the debtor."

bankrupt, with all the disabilities and penalties as well as the stigma in the eyes of the community which is implied by that status."

What the committee had in mind, therefore, was to take the small debtor, whether down on his financial luck or plunged ties, out of the bankruptcy

It also referred to the recent In its interim report yester- problem of the consumer av the committee described debtor, over-tempted by the fascinating array of credit now available, whose resulting insolvency stems from "a general irresponsibility and muddle on

By reserving "the rigours of

presence of misconduct or fraud, or by previous lack of co-operation from the debtor, bankruptcy by 40 per cent "with the committee reckoned the no adverse consequences." present yearly level of 3,500-4,000 bankruptcies could be cut to well under 1,000 involving the Official Receiver.

Instead of the Early in the proceedings, it administration order system, went on, "he is classified as a the committee proposed a Debts Arrangement Order (DAO) for debtors with few assets but with

earning capacity. This, it felt, "should appeal to most debtors who at present file their own petitions in bankruptcy or who are the subject of small bankruptcies

generally." Compared with the present yearly average of 2,000 administration orders, the committee thought there could be as many as 10,000 DAO's a year. It also arrangements for debtors with

While supporting its view that reform of the personal bankruptcy structure is needed, the Government said the Cork cedures would require a large trained staff, as would a continuation of the present system. Thus the Government has, instead, taken the cost-cutting

trimming back the size of and expenses involved in running the Civil Service. It said the limited reforms introduced in 1976, including irresponsibility,

road, in line with its aim of

The Committee pointed out however, that bankruptcy pro-7.000 in the 10 years to 1975: the later reforms reduced the

caseload only to roughly what it had been in 1973. leading insolvency specialist, Mr. George Auger of accountancy group Stoy Hay-Government was making the right sort of economies in the

"The price of the insolvency service is cheap for society to pay for the filtering activity, which is a very valuable process," he said.

While not having had chance to make a full study the proposals he felt the Government should have waited for the full report of the Cork Committee, especially in view of its wide-ranging brief and the EEC bankruptcy convention, soon to be introduced by all

nine EEC members, Another insolvency expert said the Government's proposals looked unattractive for the accountancy profession. would, he believed, put off potential petitioners, who would receivers' costs, and thus lead to fewer formal bankruptcies

#### Order for **Euroseas** director

By Raymond Hugher,

A DIRECTOR of Euroseas Securities, faced with a £857,000 claim by the company, was ordered by a High Court judge yesterday not to remove any of his assets from the UK.

The order, effective until Tuesday, was made in the absence of Mr. Nadeem Hameed Shaikh who, said the Vice-Chancellor, Sir Robert Megarry, could apply to have it cancelled

Mr. Michael Kennedy, for the liquidator of Euroseas Securities, said investigations had shown that the company was owed more than £2m by other as fast as then, to around 3m. prices, a cut in Minimum Lend-rather than in tradition companies in the same group. Because of the increase in the ing Rate to 10 per cent and a 5 of high unemployment.

#### Unemployed may rise to 3m by 1982 in line with output dip THE BRITISH slump over the working population the percent- per cent ceiling on public sector

pext couple of years will be as bad as that of 1929-32, with large parts of Britain's industrial heartlands laid waste, says Mr. Brian Reading, an economic commentator.

In a circular for stockprokers Bone Fitzgerald and Company, Mr. Reading highlights forecasts prepared by the ITEM Club which uses the Treasury's economic model.

These projections indicate hat output, as measured by real Gross Domestic Product, will

50 years ago.

age rates will be lower. Mr. Reading says that unless monetary policy changes behaviour it is more harmful to the economy than incomes

He says there is no evidence yet to sugest that monetary "up to 2.5m unemployed for and are additional to a Skyvan policy is changing behaviour, several years" on present ordered for the Malawi police while public spending cuts have been crude and damaging.

Consequently, a new initiative is required this autumn. and possibly exceed 3m by the tors in 30 countries. The Sky-This should involve a reduction middle of the decade. The van transport is complemenin Value Added Tax from 15 to fall as sharply up to 1982 as 10 per cent, a cut of a tenth a change in the regional balance in North Sea oil price, a freeze with the sharpest increases Unemployment will rise just on public sector charges and being in the south of England selling well and the bigger, 36-

pay rises. Gloom about unemployment outlook is now general. Oxford University writes in a aircraft with spares.

Rowe and Pitman circular that monetary policies. Brokers Capel-Cure Myers

say unemployment will reach. sales to 136 aircraft to 44 operamiddle of the decade. brokers believe there could be prices, a cut in Minimum Lend- rather than in traditional areas seat type 360 aircraft, recently

#### Malawi Skyvans order

SHORT BROTHERS of Belfast example. Mr. Walter Eltis of three Skyvan light transport

The aircraft will be flown by there is now a near certainty of the national airline, Air Malawi, force last December. The deal brings total Skyvan

tary to the Short Brothers' two passenger transports, the 30passenger 330 which is also

# Reauty and the Beast

or varied

One day, a nasty beast decided to play havoc on the road! He changed around a signpost so that any unsuspecting driver would find himself in a twisty little lane.

He sat back and waited. Along came a real beauty, a SAAB 900 GLS, driving happily along in glorious sunshine. The beast rubbed his hands with glee as the SAAB turned off into the lane. Hidden there was a whole bag of tricks - a hairpin bend, an unexpected flooded stream, various potholes, a hump-back bridge, a steep hill, a nasty left-hand corner with a sheer drop on one side, loose chippings and rust-bugs lurking in the hedgerows.

The beast waited for the sound of skidding, tyre squealing, sharp braking, anything that would be music to his evil little ears.

But all he heard was the smooth sound of the beauty, still driving happily along, negotiating all the problems without so much as a care in the world. Little did he know about how much care had gone into the making of the beauty. Little did he know that the SAAB 900 GLS

was renowned for its roadholding, handling and performance, its confident feeling of comfort and safety, whatever the unexpected conditions, whatever the weather.

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# Designing Morcambe

GEC INDUSTRIAL CON-

A contract to design and supply a complete production line for the manufacture of cream crackers and biscuits has been awarded to SIMON-VICARS. Earlestown, Merseyside (Simon food engineering group) by the Namshin Company of Taipei, Taiwan Valued at £750,000 this will be the first Simon-Vicars biscuit line for Taiwan though the company supplied a Swiss Roll production line to that country in 1979. Equipment includes a high-speed dough mixer, verticutting machine, rotary moulder, 60-metres long electric oven and cooling and packing machinery, to be delivered in September. The Namshin Company is a joint venture by the Namchow Chemical and Industrial Company of Taipei and the Lam Soon Company of Malaysia.

British Airways is to replace all the terminals on its computerised reservations system in continental Europe with British equipment supplied by VIDE-COM. The order, valued at around \$500,000, is for some 280 keyboard VDU's which will be located at 69 sites throughout 15 W. AND T. AVERY has won its expected to be completed by

SIGMUND PULSOMETER PROJECTS. Theale, near Reading, a member of the SPP Group,

gas field facilities

Financial Times Friday July 25 1980

connecting pipeline systems.

The other is for the engineering and procurement services of the services for telemetry equipment

PLESSEY EAE has been awarded a contract worth Elm for the supply of materials and in Abu Dhabi's Upper Zakum oil field-acting as sole field services contractor to Matra SA of France. The telesystem initially forms, offshore field control natural gas from the More centre, and an island control centre. The multi computer based configuration is a highintegrity system which extensively monitors all aspects of the field production system.

the end of 1981.

to supply and install pumps and ancillary equipment for a brewery waste and sewage treatment plant being con-structed at Tadcaster. Yorkshire Water Authority placed the contract, valued at about £200,000, for two SPP Freeway

F.313.50

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F.63.80

.118.50

1.40

SiS

132

and the Common Market that implement the development of McDERMOTT ENGINEERING, used for general purpose record London, a division of McDer-replay and editing work.

mort international Inc., New it will be a net exporter of an offshore field. If there are so many uncer-The Energy Department's tainties, as Mr. Howell rightly caution is understandable in suspents it might be a wiser Orleans, has been awarded two Morecambe gas field contracts TROLS vacuum contactor by Hydrocarbons Great Britain, starters have been ordered by suggests, it might be a wiser course to encourage rather than wholly-owned subsidiary of Matthew Hall for installation on discourage new projects. It is British Gas Corporation. One a new production platform which questionable whether Britain contract is of the conceptual is programmed for operation in will have enough surplus, net design for the entire offshore the BP Magnus Field in the exportable capacity in the mid facilities of the Morecambe gas North Sea. The order is valued 1980s to afford the luxury of field development. The offshore at £110,000. sitting on potentially comfacilities include all structures, mercial fields. topsides and the in-field inter-An alternative course would be to press ahead with new development projects and then

take corrective action if, Barrow onshore terminal. Both happily, it was found that there contracts will be undertaken by was significant surplus capacity. Mr. Howell told Parliament that Wembley office of McDermott Engineering. The terminal will be constructed at West Field Point near Barrow-platforms, four separation platas yet the Covernment had taken no decision on whether to have production cut-backs. in-Furness, and will handle the He certainly has plenty of cambe gas field. British Gas options. He can, for instance. aims to have gas from the £1bn Morecambe development coming ashore by 1984. impose cuts already accepted by the industry under assurances given by Mr. Eric Varley, Energy Secretary in 1974. These so-called Varley Guide

An. order worth more than £14m to supply electrical equiplines gave operators the undertaking that no delays would be ment for Royal Navy nuclear submarines has been won by electrical engineers LAURENCE imposed on finds made up to the end of 1975; no cuts would SCOTT ELECTROMOTORS. The be imposed from these fields equipment will be installed in until 1982 or four years from nuclear submarines to be built the start of production: no cuts would be imposed on post-1975 by Vickers Shipbuilding Group. finds until 150 per cent of the

investment in the field had been recovered; and the Government The Bradford and Bingley Building Society has signed a contract worth over £340.000 with RACAL-MILGO for a nationwould generally limit any cuts to 20 per cent of planned daily wide data communications network Counter terminals at Bradford and Bingley's 190 branches throughout England, Scotland, Wales and Northern Ireland, will be linked to the Society's central computer at: The industry could not complain if such production cuts were introduced. They have Bingley in West Yorkshire. already taken their investment decisions in full recognition of

> for equipment to monitor and control its on-line computer system. More than 40 sites in the UK will be linked by the data network which is used for stock recording, payroll and a variety of corporate and financial applications.

consents agreed with a number of companies, vary production levels at pre-determined points

An order worth over £150,000 has been placed by the RRC with SONY BROADCAST for video recording equipment, which is being installed in the main block

1.10

2 3

TOTAL VOLUME IN CONTRACTS

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Metal Box has placed an order worth over £200,000 with CASE

increase with a drop in produc-tion. The benefit would arise mainly as a tesult of allowances under Petroleum Revenue biggest order from the Post Under a contract worth Mr. Howell has other weapons nearly £200,000, the company is in his depletion armoury. He supplying 750 scales for Post can, under a system of staged

of the BBC Television Centre at SB-C and two SPP Hidrostal

EUROPEAN OPTIONS EXCHANGE

100,000 b/d in 1985.

this year.

the light of past experience.

Accidents, weather problems

and field development delays

have combined to slow the

expected progress of North Sea

oil output. In 1974 the Gov-

ernment expected that UK

operators would be producing

between 2m and 2.8m b/d by

With this in mind, Mr. Howell

has stressed that as part of its depletion policy the Govern-

ment was taking measures to

increase exploration activity in

order to prolong high levels of

production to the end of the

century. The undertaking has

been warmly welcomed by oil

companies which have been arguing for a "repletion" policy

that would help fill the trough

of expected net imports in the

The industry is also pleased

that the Government is pressing

fashion, with its plan for a

£1.1bn gas gathering pipeline network in the North Sea. This

project will not only increase

the commercial attractiveness of

oil fields containing associated gas but it will also help Mr.

Howell achieve another of his depletion objectives: to reduce

the amount of gas flared and

But there was concern among

Renetit

the possibility. In some cases, in a perverse way, the com-

panies might even benefit from

such action. In a presentation

to an Institute of Petroleum

economics seminar in May,

BNOC demonstrated that in

specific instances the cash flow

Tax arrangements (see chart).

in a field's life. He could leave

in the ground 12.5 per cent of the production to which the

Government is entitled as a

royalty. If needs be, he could

direct BNOC or British Gas to

hold back their equity entitle-ment although this policy

would find more favour with

Dr. David Owen, the Shadow

companies would actually

some companies about Mr.

Howell's decision to consider

the delay in development of some fields discovered after

1975. Such delays, on a very selective basis, could be one

way of flatening the North Sea

production hump in the mid-

There are likely to be very

few fields falling into this care-

gory. Two that could be

delayed-by how much is still

unclear - are British National

Oil Corporation's (BNOC's) Clyde Field and the Phillips

complex of reservoirs in the

officials are now discussing the

timing of development plans

It is perhaps ironic that these two projects should be

chosen for the new delay con-

siderations. Each are closely

associated with the gas gather-

ing pipeline: the "T block" is likely to contain a major pipe-

line function, Clyde could mark

Mr. Howell told pressmen this

batch of fields under develop-

with the companies involved.

T block." Energy Department

group's

Toni-Thelma-Tiffenv

# Mr. Howell keeps his options open

BRITAIN HAS come of age as an oil producer on two counts. room for manoeuvre is seen to The country has all but reached be limited. Energy Department the happy state of net self- advisers have told Mr. Howell sufficiency in oil according to that the amount of oil primarily the latest set of Government affected by any depletion figures: indeed that threshold policies could be no more than may well have been crossed about 250m tonnes. This is the this month, thanks to low amount of oil that offshore summer demand. Second, the operators could produce above Government has now fashioned the UK self-sufficiency line a depletion policy, a procedure during the coming peak years dear to all major oil producers. of peak production, assuming no Admittedly it is a fairly depletion controls. This hump

little more than a general state be equal to about three years' ment of intent. Mr. David worth of UK oil consumption. thowell, Energy Secretary, A number of industry talked on Wednesday about the analysts are more pessimistic. need to flatten the hump of possible surplus production— the amount by which output the amount by which output could exceed the domestic oil to no more than 100m tonnes. requirement—and to keep the Their warning reinforces the nation close to self-sufficiency wisdom of a flexible depletion for as long as possible.

No numbers were cited because Mr. Howell wanted to retain flexibility of action over the coming years when there will be inevitable surprises on both the supply and consump-

#### Emphasis

Mr. Howell was quick to counter any criticism from those who might feel the policy is too woolly. Those who called for a "neat blueprint" of future oil even longer period; certainly production rates would reveal an immaturity and complete misunderstanding of the problems the balance of payments it would associated with North Sea also probably dampen the value

What the Government has done is to alter the emphasis of North Sea development. Up to now there has been but one aim, shared by successive govern—sales opportunities, ments and the oil industry—It should at least alike: to build up production as quickly as possible. This policy relatively modest oil resources has resulted in over £15bn (in at such a fast rate if other pro-1979 prices) of investment being poured into oil and gas projects on the UK Continental Shelf in the past 15 years. Never before has a major oil region of such complexity in such harsh conditions been developed so quickly.

Now the Government can afford to apply the brakes somewhat although the scope for a good deal of international action is much more limited than for some other producer countries. Britain's oil reserves are too small and its consumption too great to allow a major variation on present production

Against this background, the sketchy depletion policy, being of net surplus capacity would

Mr. Howell is firm in his depletion commitment to maintain a level of production at least equivalent to UK oil consumption. This was an arbitrary choice reflecting, he says, the need to preserve domestic security of supplies in an "energy-dangerous world" where supply disruptions could occur

at any time. He could have chosen a lower benchmark, one that would have enabled the UK to be a major oil supplier for an well into the next century. While such action would hit of sterling. Exports would become correspondingly more attractive at a time when the UK manufacturing industry is desperately seeking overseas

It should at least be asked, why should Britain deplete its ducers are happy to sumply all the oil the world needs, as at present? As it is North Sea companies are producing much more oil than is used in UK refineries. Because North Sea oil is a light, high quality crude and refineries run on a mix of light and heavy oils, there is already trading going on. UK oil output is now running at about 80m tonnes a year, with about half of this production being exported. Two-thirds of these exports go to Britain's Common Market partners.

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the right direction.

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companies install

And providing facilities to

The Effect of Depletion on Field Revenues\* Reversies √Oil Company Depl. and after 1502 of i

If the UK were to peg its production level well below that of self-sufficiency—currently between 80m and 85m tonnes a year-the stance would clearly upset its trading partners who now rely on North Sea imports. Just as significantly, Britain would be signalling to OPEC members that even tighter supply limits are justified. The stability of the oil market would be further shaken. [While UK production, at whatever level is chosen, has only a tiny impact on world-wide supplies, this does not mean that OPEC would not make political capital out of a restrictive North Sea depletion

policy.] So self-sufficiency is a reasonable starting point for a depletion strategy. The question must then be asked: what will this level be?

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year. And it seems unlikely that during the 1980s demand will rise much above 90m tonnes or 1.8m b/d. On this basis there appears to be reasonable scope for implementing depletion measures after 1982. According to stock brokers Hoare Govett production levels in the 1982-85 period could be in the range of 2.3m to 2.6m b/d. Wood,

The Energy Department in its the southern extremity of the

A few years ago the Government was working on the assumption that by 1980 the UK would be consuming around 100m tonnes of oil a year, or roughly 2m barrels a day. The economic recession, coupled with price-stimulated conservation measures, has lopped 15m to 20m tonnes off that level this

Mackenzie, another broker which keeps a close eye on North Sea developments, puts production range over the same period at 2.4m to almost 2.7m

latest "Brown Book" of North 338 pipeline. Sea statistics is more circumspect. It reckons that output week that if it was found that in 1982 could be anything production from the current between 1.8m and 2.4m b/d and that by 1984 the production ment looked likely to fall well level could be 1.9m to 2.7m b/d. short of expectation, the If only the lower levels are Government would reconsider Energy Secretary, than with Mr. achieved there would hardly be its delaying tactics. This was Howell. And the practice would need for any depletion mea- part of the flexible approach. be contingent on the corporasures, especially as the UK has But it might then be too late tions remaining in state hands. given an undertaking to the to rectify the position. It takes Mr. Howell is assured of the International Energy Agency several years to plan and depletion flexibility he needs.

Mr. Howell is assured of the

#### CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID

The Annual General Meeting of the General Advisers of the Caja de Ahorros, the governing and decision-making body of the institution—composed of the clients of the same—

THE CHAIRMAN'S SPEECH. Mr. Felipe Ruiz de Velasco y Castro reported in detail on the progress of the institution which has over two million and a half clients. He stressed the efficient performance of the governing bodies and the staff which made possible an increase in savings deposits which are now more than 250,000 million pesetus. The net yield or added value generated by this savings institution amounted to 9,273 million pesetas, of which according to final count was as follows: 4,754 million pesetas payroil, 2,348 million to Reserves, 1,442 to the Treasury and 729

Mr. Ruiz de Velasco y Castro mentioned some figures in connection with the loans granted by the Caja, which amounted to 464,921 borrowers with a sum of 133,090 million pesetas, i.e. an average of 345,576 pesetas per borrower, which shows the great diversification of credit risks.

The Caja increased its social and cultural efforts, spending in these fields 780 million pesetas.

The Meeting showed once more that the Caja is an institution which is governed by its own clients, and examined and advised by professionals and that it optimises the use of its funds to the advantage of the customers and in general of the populations of Madrid, Ciudad Real, Toledo and Guadalajara.

DATA FROM THE ANNUAL REPORT. Deposits as at 31.12.79 amounted to 272,725 million pesetas, which represents an increase over the previous year's figures of 54,100 million pesetas. Capital plus reserves amounted on the same date to 21,265 million pesetas an increase of 7,183 million pesetas. During the fiscal year, the organisation for the Discount of Bills was implemented as transactions of credit classification and discount of bills of exchange started during the year. Thus, the Caja de Aborros y Monte de Piedad de Madrid is now placed in the short term credit market and the discount of bills for customers of the institution amounted to 1,024 million pesetas, while bills assigned by correspondents, other general savings banks, amounted to 12,566 million pesetas, proceedings having included 52,724 incoming documents and 23,684 outgoing documents, the balance as at 31.12.79 being 1,245 million pesetas.

During the fiscal year, 30 new branch offices were opened and province (5).

During the meeting, several advisers took the floor and reported on concepts and suggestions useful for the future of the Caja. Through this discussion, it became quite clear that the purpose of all of them is to serve the common interests from their respective positions.

These advisers are the engine that drives the great evolution that is taking place in the Caja of Madrid, to the benefit of Society in general and of the customers of the institution in

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IF IT'S ALL CLOSING IN ON them they're investing over £100,000,000 in the

The "back to the wall" situation is becoming all too common in the big cities. The struggle for survival and the hard-fought battle for new orders takes place against daily mounting odds.

But there is hope for the hemmed-in!

As a Special Development Area, Wrexham can offer them powerful adventures:

offer these powerful advantages:

An excellent industrial relations record.

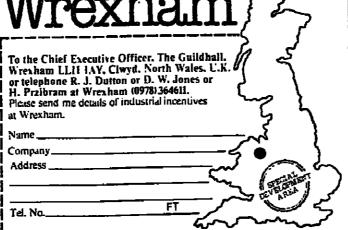
Rent free periods in advance factories.

Easy access to major markets.

Special Development Area and EEC financial

Welsh Development Agency assistance. G.K.N., Kellogg's, Metal Box Company, Continental Can, E.R.F., Jaeger, Lego U.K. Ltd., G-Plan, J.C.B. and Tetra-Pak are all benefitting from the pleasant environment of Wrexham and between

borough. So don't wait to see the writing on the wall, read our full colour brochure instead. Send for a copy



GENERAL MEETING OF THE

27.4.80

Remarkable increase in the Economic and Financial Activities and a Profound Social and Cultural Effort

The Caja de Aborros y Monte de Piedad de Madrid has by far exceeded the average growth rate of the Federation of Savings Banks (Cajas de Aborro Confederadas) within the computation of the other financial institutions of the country. which allows the Caja de Ahorros to be placed, because of the volume of its deposits, second within the Savings Banks and ninth in the entire Spanish financial institutions.

to the public and, therefore, at the end of 1979 the network consisted of 351 offices, between Madrid city (212 and the head office). Madrid province (109), Ciudad Real city (2) and province (20). Guadalajara city (1), Toledo capital (1)

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Financial Times

# 203 PRICES

ing Moro

From £5,490.\*

The surprising thing about the Renault 20 range is the price.

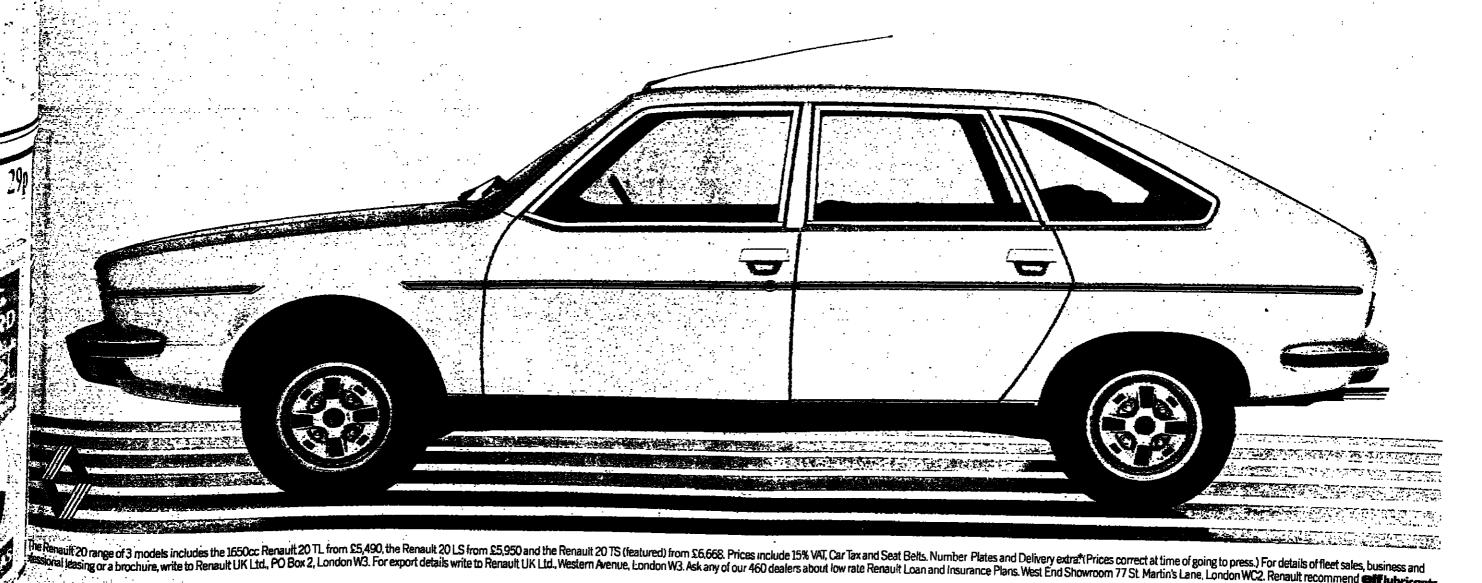
Although the three versions all offer a high level of equipment and performance, the prices start at an amazing £5,490.

Within the range you will find such refinements as power-assisted steering, 5-speed gearbox, electric front windows and centralised door locking, depending which model you choose.

The only way to decide which one you want is to go and take a look round at your nearest Renault dealer.

The Renault 20TL is available from £5,490, the LS from £5,950 and the TS from £6,668.

# RENAULT 20



# Labour MPs attack Thatcher's stand on mobility of jobless

BY IVOR OWEN

jobs near their homes should be prepared to move to areas job centres. where employment is available, the Prime Minister insisted in the Commons yesterday.

Amid mounting uproar, she was repeatedly challenged by Labour MPs to name the areas where work could be found.
"Where?" "Where?" they

chorused, in a spontaneous outburst of anger, which clearly rattled the Prime Minister far more than the carefully corchestrated attack staged by the Opposition on Tuesday in the wake of the announcement that the unemployed total had soared to close on 1.9m. Mrs. Thatcher refused

name any specific areas, but, in emphasising the importance of ensuring the mobility of labour. highlighted the fact that there still 400,000 unfilled vacancies.

She also stressed that only

closures still

CLOSURE OF some coalmines

The bulk of the increase

would be in the U.S., whereas

in Italy and Japan, where

little coal was produced, the

aim would be to import more coal for power generation.

Nevertheless, he believed

that new prospects for British

coal nationally and interna-

tionally would help to dispel

the cloud of fear which still

hung over some people in the

will continue, they are inevitable," he added. "They must

capacity, by new jobs."

But obviously closures

This brought eries of

indignation from the Opposi-

tion. Labour MPs wanted to

know where these jobs would

he found and whether it would

be in the hard hit areas of

**Parliament** 

next week

Transitional) Regulations. Considera-tion of Lords amendments to the Employment Bill, Proceedings on the following four Lords Considetion Measures—Education (Scotland) Bill, Water (Scotland) Bill, Solicitors (Scot-land) Bill, Criminal Appeal (Northern

land) Bill, Criminal Appeal (Northern Ireland) Bill, and Second reading of the Highways Bill.

Tuesday: Debate on the Opposition Motion of No Confidence in Her Majesty's Government. Motions relaing to the notification of Accidents and Dangerous Occurrencies regulations and the Industrial Tribunals

Majasry's Government to the plight of small businesses. Debate on an Opposition Motion on the disastrous effects of Government policies on the

meeting and clothing industries.

Motion on the Education (Assisted Places) Regulations. Remaining stages of the Lew Reform (Scotland) Bill, Motion o nithe international Moneary

LORDS

day: Debate on a Liberal

industry.

**Coalmines** 

necessary

Industry Bill.

WORKERS UNABLE to find opportunities available are 1930s had left behind a bitter steel closures.

Mr. James Callaghan pressed home the attack from the Labour benches by recalling that, when the Prime Minister spoke in Swansea last week, she urged those without jobs to move to areas of "industrial success."

If South Wales were to be denuded of skilled workers, what would happen to the communities they left behind? he demanded.

Mrs. Thatcher retorted that Wales had always been Minister to state where the un-accustomed to a certain amount employed steel workers in South of mobility of labour. She reminded Mr. Callaghan that redundant steel workers in his own constituency had had to look elsewhere for employment during the lifetime of the

To Labour cheers, and with rising anger, Mr. Callaghan protested that the "mobility" of the in South Wales hardest hit by Prime Minister confirmed.

notified to the Government's ness which had still not been forgotten in Wales.

The Prime Minister retorted (C. Melton).

that even Mr. Callaghan must recognise that it was just not possible to guarantee everyone iob in the area where they happened to live.

There must be some mobility in moving workers to jobs," she maintained.

When Mr. Callaghan renewed his challenge to the Prime employed steel workers in South Wales should move to, she answered that some would be able to find other jobs if they moved within Wales.

As Labour backbenchers con-tinued to shout "where?" she pointed out that the Government had allocated £48m to bring new factories to the areas

Concern about the 20 per cent pay and productivity settlement We simply won't go back to secured by the Post Office's your kind of policies," he 146,000 engineering staff was voiced by Mr. Michael Latham

> He asked the Prime Minister to underline the increasing importance of ensuring a lower level of wage settlements in the public sector and called for an assurance that the Post Office would not be allowed to exceed its eash limits.

> Agreeing that "crucial" to get public sector settlements down, Mrs. Thatcher pointed to their effect in draining" the private sector.

Amid Tory cheers, she emphasised: "It is to the private sector to which we must

look to increase jobs." Those who granted large keep within the cash limits, the

# Biffen firm on further action to lower interest rates

BY IVOR OWEN

in the UK will still be neces-ANY FURTHER action by the brunt of the Government's next mount—said there were sary despite the seven-nation Government to lower interest attack on inflation. agreement at the Venice sumrates must be consistent with mit to muble coal production the monetary aggregates. Mr. plained, that the Government taking effect.

John Biffen, Chief Secretary to had not done enough to control Inflation wa over the next ten years. This was made clear in the the Treasury, told the Commons Comons yesterday by Mr. David Howell, the Energy

He declined to comment on Secretary, during the third reading debate on the Coal The legislation increases the National Coal Board's caused by the end of the corset interest rates. borrowing powers by £1,200 controls will be disregarded in to £3,400m with a later increase bringing the total to next reduction in the Minimum Mr. Howell said the nations

at Venice had agreed that together they would double Amid laughter, Mr. Biffen coal production over the next but what appears in the Finan-cial Times is not one of them." decade. He stressed the important word was "together' and that circumstances would differ enormously in each

The continuing anxiety on the Government backbenches soon be overcome. about interest rate policy was "Industry will it underlined by Mr. Hal Hiller has hope." he said. (C., Bromsgrove and Redditch)

There was a feeling, he compublic expenditure and public for the first time for two years,

Sir Geoffrey Howe, Chanthe report in the Financial cellor of the Exchequer, said he that any temporary well understood the extent to surge in the money supply in which businesses, large and next couple of months small, were concerned about He assured Mr. Miller that if

was the Government's firm objective to reduce public Mr. Kenneth Lewis (C. Rutstated: "I bear many burdens, land and Stanford) warned that but what appears in the Finan if industrial and commercial be clear that inflation would

Sir Geoffrey—who confirmed

encouraging signs that the Government's policies were Inflation was on the downturn

he stressed. The Chancellor denied Labour charges that the Government was deliberately seeking mass unemployment.

Like its Labour predecessor,

he said, the Government recognised that it was only by the conquest of inflation that it would be possible to deal with the problem of unemployment. Mr. Biffen told Mr. Tom Dalyell (Lab, West Lothian) that capital outflows since the dismantling of exchange controls seemed to have been running at about £1bn a quarter, for the greater part represnet-"Industry will invest when if ing repayment of foreign currency debts by UK companies. "Overseas purchases of ster-

who stressed that with the that he expects a substantial ling assets over the same period current high levels, manufactfall in the annual rate of in- have more than offset these out-

# Heseltine's draft on planning procedures will aid developers

BY ANDREW TAYLOR

changes in local authority plan- ning permissions "unless there ning procedures designed to is a sound clearcut reason for that if a decision is not reached reduce delays and make it refusal." within eight weeks, local easier for developers to gain planning permission are pro- "to impose their taste on posed in a draft circular sent developers" or to try to "conout this week by Mr. Michael trol such details as shapes of indication of when a decision Heseltine, Environment Secre-Mr. Heseltine is determined

COMMONS

Monday: Motions on the Social Security Orders on Benefits Up-Rating, Family Income Supplements, Child Benefit up-rating, Ponsioners Lump Sum Payment, Married Women and Widows' Special Provisions, and Supplemantary Benefit (Resources); and (Requirement) Regulations. Motions relating the Supplement Benefit (Single Payment, Aggregation, Deductions and Payments to Third Parties, and Transitional) Regulations. Consideration of Lords amendments to the have uneccessarily delayed the processing of planning appli- ning application.

Jocal authority associations asks in the past failed to meet this by

SERIES OF significant councils to always grant plan- deadline.

windows or doors or colours of bricks. The circular, details of which

to take a tough line with those appear in today's issue of councils which he believes have Building magazine, says that hindered new development with-out valid reasons or which to arrive at a decision within planning decisions. "Delays eight weeks of receiving a plan-This is already a requirement

The draft circular sent to but a number of councils have

Now Mr. Heseltine proposes Planners should not attempt authorities should give applicants a proper explanation for the delay and provide a firm

> Also, local authorities would be required to supply the Department of Environment with information about how should not be treated within the planning department as a matter of routine," says the circular, It says delays could be cuf

# SDA lists anti-Left candidates

BY ELINOR GOODMAN, LOBBY STAFF

THE RIGHT-WING Social Democrat Alliance took itself even members of the executive. further outside the pale of the Labour party yesterday when it said, was to oppose every the electorate. produced a list of "anti-Left" candidates prepared to stand Ultimately, they claim they wing pressure group operating against official Left-wing Labour could end up fielding as many within the Labour Party. Some candidates at the next election, as 200 candidates.

Labour candidates.

Labour Party, the Alliance also the formation of a new party be a clear breach of party rules named its "priority list" of 27 which could change the face of and would intensify the pres-MPs which it intended oppos- British politics.

The SDA's aim, the organisers Tribune MP at the next election.

been fighting a running battle itself outside the party by its In a further challenge to with his constituency party for actions. Labour's national executive to the past three years—said the To run candidates against throw its members out of the SDA moves could well lead to official Labour Party ones would

Included on this list were II missive about the Alliance's prospects and doubted whether they could make any impact on The SDA began as a Right-

wing pressure group operating of its members still belong to Mr. Neville Sandelson-the the party but over the past two On the list were eight former Right-wing Labour MP who has years it has effectively taken

ritish politics. sure on the executive to expel
But Labour leaders were disSDA members from the party.

#### Fury and derision overwhelm the PM

By Philip Rawstorne

FOR ALL her nuclear armoured defiance, Margaret Thatcher politically vulnerable in the Commons yesterday.

Clasping Britannia's Trident proudly at one moment, she was all but overwhelmed the next as the tide of Labour fury turned again to unem-

The Prime Minister may have an economic argument for the increase in jobless but Labour vehemently exposed the inadequacy of her answers to it.

Another of her solutions was washed out in bitter derision yesterday.

Mrs. Thatcher had suggested that the jobless should be ready to move to other

areas to find work. It was no use them going to Slough, Miss Joan Lestor. the local Labour MP, re-ported. There were now too many out of work there as

Two unemployed youths from Medseyside had already been turned away from Guernsey, added Mr. David Alton, the Liberal MP for Liverpool Edge Hill Where should the jobless o? "Where?",

Labour MPs demanded. It was reasonable to expect me mobility of labour, Mrs. Thatcher retorted. Reasonable to expect people to move to areas where jobs were avail-

MPs yelled derisively. Mrs. Thatcher hazarded no direction but insisted that there were some 400.000 vacancies waiting to be filled. Mr. James Callaghan asked

her to signpost these "areas of industrial success." And what would be the ffect on South Wales if all its skilled workers dispersed to these havens of prosperity? he demanded.

The Welsh worker had a tradition of mobility, Mrs. Thatcher replied. Workers had left the coal mines of Rhondda, the steel works of East Moors and Ebbw Vale.

British education had benefited from the movement of Weish teachers.

"Mobility is nothing new to Wales," she declared above an angry and scornful roar. That mobility of the 1930s had left behind a bitterness that had still not been for-gotten, Mr. Callaghan retorted.

Governments had worked since to bring an industrial revival to South Wales-"We are simply not willing to go back to your kind of policies,"

Paler but still defiant, the Prime Minister said that everyone could not be guaran-teed a job "where they happen to live." "There must be some

movement to where the jobs are . . ." she insisted.
"Where? who where? "-Labour's punctuating chorus

Where should the unemployed steel workers of Wales go? Mr. Callaghan per-"Some of them will move

to other parts of Wales," Mrs. Thatcher responded weakly. Waves of Labour derision engulfed her, as she added

something about a reputation

for rigidity being the worst that any politician could acquire. Mrs. Thatcher struggled on. trying without success to stem the problems pouring over the despatch box, with

vague assurances about the opportunities proskill centres, and gramme. advance factories. "I believe there is only

one party and one policy for Britain, and that is ours," she cried to loyal Tory acclaim. But with warnings of social unrest to come, the Prime Minister wasted no time in showing her readiness to move from the Commons chamber to find a more con-

# Cash for fishermen plea to Walker

the ports. Commons yesterday. Mr. Roy "The fishing industry is now for the fishing industries Mason and Mr. Gavin Strang, on the verge of collapse," he followed a report to the Monday: Pier and Harbour Order \*Great Yarmouth Wellington Pier! Con-firmation Bill. Second Reading. Health -Services Bill. Report, Deer Bill. Labour's Agriculture and said. Fisheries spokesmen, pleaded Committee.
Tunsday: Tenants Rights (Scotland)
Bill. Report Cinematograph Films
(Collection of Lavy), Cinematograph
Films (Distribution of Levy).
Wednesday: Housing Bill, Third Reading. Companies (Directors Report)
(Employment of Disabled Persons).
Marion for ethnoval. with Mr. Peter Walker, Agricul- announces further temporary the EEC Fisheries Council in ture Minister, to give fishermen aid of at least £35m before MPs Luxembourg earlier this week. extra cash now to tide them rise for the summer recess the over until the EEC works out industry just will not survive on

Fisheries Policy. was so desperate, said Mr. Mr. Strang. Strang, that it had led fisher-

THE FISHING INDUSTRY is stop fishing altogether, and the Common Fisheries Policy is with the conservation proposal on the verge of collapse, the strike was spreading to other forthcoming," he said.

"Unless the Government latest round of negotiations of long awaited Common a sufficient scale to take advantage of any deal the Government The fishing industry's plight negotiates in Brussels," said

Mr. Walker said the fishermen in North East Scotland to mens' strike could not help their cause.

return to sea.

Mr. Mason said the fishing industry was going through "a arrangements, Britain made disastrous year. "The deep sea fleet is rusting

on the quayside, and the inshore fleet is going on strike in pro- arrangements test about subsidised fishing Walker said.

The appeal for extra funds ber 29, he said. Commons by Mr. Walker on the

He told MPs a further council meeting was planned for October when discussions would be completed on quotas, access and structural proposals.

At this week's council meeting. Britain had stressed the need for a "fair distribution of The Government shared their catches ' taking into account feelings, but Mr. Walker urged the size of the resources within the striking fishermen to follow Britain's fisheries limits and the advice of their leaders who, the full extent of UK losses of he said, had advised them to fishing opportunities in third

country waters, Mr. Walker said. On negotiations for access clear its requirement for "an adequate zone of exclusive access" and for preferential beyond, Mr.

The Fisheries Council agreed They desperately need help to examine in detail all outuntil a better deal on the standing problems connected

at its next meeting on Septem-Mr. Walker assured MPs the Government was now urgently considering the industry's latest

appeal for funds, which did not reach his desk until last weak. He reminded MPs that the Government had responded when the industry sought aid earlier this year. Mr. Walker denied an accusation from Mr. Rey Hughes

(Lah. Newport) that there had been "no progress whatsoever in reaching agreement on a fisheries policy.

There had been "important progress." Mr. Walker said.

Mr. Hughes said the fishing industry was "now at its wits end," and urgent help in the form of immediate short term aid was needed to combat the " despair and hysteria " now in the industry.
Mr. Walker said the problems

of the industry were being "genuinely considered." He understood the problems of the Scottish protesters but was "pleased" they had been advised to return to work.

# Express group makes cuts as sales fall

BY ALAN PIKE

the company is proposing a range of economy measures in Star. the face of falling circulation and other market problems.

All four Express Newspapers titles - the Daily Express, Sunday Express, Daily Star and London Evening Standard have suffered varying drops in circulation in the past six months. Mr. Jocelyn Stevens. managing director, told chapel (office union branch) representatives that since May Daily Express sales had declined by 150,000. The Sunday Express was down 50,900, and the Evening Standard down 17,449, since March. A smaller decline edition of the Evening Stan-

EXPRESS NEWSPAPERS has in circulation has been suffered dard. told union representatives that by the group's most recently launched newspaper, the Daily

> Immediate economy measures will include a reduction in the number of printing presses used to produce the four newspapers and tighter control over areas like overtime payments, expenses and employment of

But the company is also considering more drastic options. These include a possible end to London production of the Star - transferring the total print back to Manchester, where the newspaper originated -and changes in the midday

Union representatives d that a decision on the ransfer of the Daily Star would depend on the effectiveness of the more immediate economy

measures. After Mr. Stevens announce ment, departmental managers yesterday began outlining the proposed economies to their staff. The company said last night first indications suggested that the need for the moves was

understood by the workforce. Express Newspapers said if was not proposing redundancies. and the future of its titles was not in doubt. measures as a reflection of the national economic situation's effect on the newspaper industry in general:

# Print union leader blames the Government for newsprint crisis

BY PAULINE CLARK, LABOUR STAFF

THE LEADER of one of Mr. Keys said the union could Britain's biggest print unions not allow Bowater to become jobs. vesterday blamed the Govern- the next major casualty in the ment for a crisis in the news- industry. ment for a crists in the sum of closing unless the ment of closing unless the

Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades, said the union would seek urgent talks newsprint prices problems in Britain and warned that the union would fight to save the industry.

Union and paper industry leaders have already called for temporary import controls and big cuts in energy costs. Mr. Keys said he could not rule out industrial action because of the

Government acts now." The Bowater company, one of the country's biggest paper manufacturers and supplier of half the newsprint to Britain's newspapers, warned Sir Keith Joseph, Industry Secretary, this week that its plant at Ellesmere Port was faced with closure

unless substantial Government aid was granted by Thursday. Mr. Keys was worried about the future of 60,000 jobs in the industry. The union will next week publish a special report on the problems which it claims

are threatening thousands of

"It is up to the Government. They have to introduce import controls in newsprint and do something about energy costs."

The paper-making industry is a tremendous user of energy but we are not seeking preferential treatment. Paper-making companies in virtually every other country are given Government help."

Bowater and other newsprint companies have suffered by having to maintain high prices compared with subsidised imports. Bowater is losing about £5m a year on its newsprint operations in spite of major cuts in capacity over the past

Editorial comment, Page 16

# BBC peace plan to be discussed

BY NICK GARNETT, LABOUR STAFF

tive, together with its BBC decided on a ballot, the papers cuts, orchestras committee, will this would be sent out this after. At morning discuss the com- noon, with a result expected by promise peace formula worked next Wednesday or Thursday. out early yesterday to end the musicians' strike.

Proms and end the immediate days after that to allow for the union and the BBC. The dispute over orchestra cutbacks practice. -should be endorsed and sent out to ballot or rejected. If it is decided to put the

proposals, worked out at the could have achieved under the of a figure of 60 per cent of Advisory. Conciliation and circumstances. Arbitration Service, out to ballot, the executive will decide discussions chaired by Lord what recommendation if any Goodman, are understood to of its 11 orchestras was taken should be put with it.

Mr. Stan Hibbert, the union's dismissal notices to the 170 cost-cutting programme.

If the ballot was in favour, rusicians' strike. the union would expect.

The executive will decide musicians to resume normal

proposals are the best they

The proposals, formulated in a lump sum payment.

THE BROADCASTING panel assistant general- secretary, musicians who were due to lose of the Musicians' Union execu- said yesterday if the executive their jobs as a result of the At least a few of the five

threatened orchestras would be

saved, but with reductions in

ing orchestras.
The proposals would involve whether the proposals — working on August 4, with the job losses but probably with designed to save some of the ractice. union is understood to have The union's negotiators, in- secured better redundancy cluding Mr. John Morton, the terms, including a percentage general secretary, believe the payment of previous earnings - there was some discussion

> The decision to disband five involve the withdrawal of the by the BBC as part of a £130m

# Agreement near on wage deal

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT has all numerical majority in favour. but secured union agreement to a £113.3m pay offer, worth 161 creases of about 18 per cent, offer by a majority of the rises due of 25-26 per cent. The workers concerned.

Leaders of the blue-column vards and other defence establishments, will wait until all 12 rates of those on the lowest unions involved have made their responses to the pay offer to £64.30; those on band eight, before giving their final agree- a mid-range group, from £62.30

However, the acceptance of the offer—by the unions with the largest memberships in the group—the General and Muni-cipal Workers, the Elecertical and Plumbing Workers and the Transport and General Workers informed officials on the trade

The deal will give basic inper cent on the pay bill, for although the findings of Pay 160,000 industrial civil servants. Research Unit comparability following acceptances of the studies for the group showed size of the package is being kept down to 161 per cent because civil servants, who are mainly shift, premium and other employed by the Ministry of allowances have not been in-Defence in RAF bases, dock- creased pro rata. The deal will take the basic

band of the scales from £54.50 a mid-range group, from £62.30 to £73.50; and the highest-paid craftsmen from £72.25 to £85.25. Delegate conferences of both the GMWU and the TGWU indicated their acceptance of the offer yesterday, and nego-tiators from the EPTU have also

co-ordinating committee of their

TGWU shop stewards, however, were angry that the Government had not honoured the pay research findings for the industrial civil servants when it had done so for the nonindustrialists who settled earlier this year for an average increase

of 18% per cent. Mr. Mick Martin, TGWU public services' national secre-tary, said that the union had "reluctantly" accepted increases, which it recognised were the most which could be obtained in the present economic and political climate. He said TGWU members felt. cheated by the Government over the deal If the Government the deal refused to honour pay research a second time, it would "obviously lead to trouble in has already established a union side of the group's joint military establishments".

# Telecommunications pay deal agreed

BY NICK GARNETT, LABOUR STAFF

more than 20 per cent, in line cent in April. with settlements concluded for engineering and executive staff. bonus money, the union, for the telecommunications increase of 18 per cent new Post Office, a joint statement cent which is an existing productivity bonus consolidated into those rates,

In relation to this extra

them to co-operate with changes per cent for its grades in the to improve the quality of postal service, whose settlement date is April

THE UNION of Communication

Workers has accepted a pay a 3 per cent bonus, 1 per cent increase on behalf of its 5,000 of which will be paid in Decem-catering workers employed in catious members giving rises of ber and the remaining 2 per posts and telecommunications.

This is a similar deal to that The deal adds 20 per cent to mally the Union of Post Office workers, but excludes the 2 per basic rates made up from an Workers, is issuing, with the cent April bonus payment. The union agreed a pay deal money, with a further 2 per to its members encouraging earlier this year worth about 16

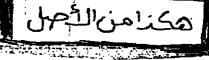
# 'Buy British' plea over RAF order

communications aircraft with Prestwick, Ayrshire. British Aerospace rather than

TASS, the white-collar section Government responded to pres- already gone into development day to place a RAF order for space's Scottish division at comparison."

an American Competitor, in lost anout 3,000 jobs in recent order to preserve British jobs. redundancies announced by Mr. Bill Niven, TASS Massey-Ferguson, the tractor national industrial officer for company, and Monsanto time that civil servants "learn't namy means and that it was all that if the An film investment had some social cost-accounting."

of the Amalgamated Union of sure from its civil servants to of the British Aerospace Jet Engineering Workers, urged the Prime Minister and Mr. Francis more than 2,500 jobs would be make economic sense to buy Pym, Defence Secretary, yester- lost in the area of British Aero- American, on a simple price Doubts had been expressed, The area, he said, had already too, as to whether the American lost about 3,000 jobs in recent Beechcraft aircraft fully met



Motion for approval.
Thursday: Finance Bill, Second Read-Ing and remaining stages. Coal in-Fridey: Health Services Bill, Third adding, Royal Assent.

how a company boat can help float new ideas . . .

MANAGEMENT

#### EDITED BY CHRISTOPHER LORENZ

INCO, THE world's leading nickel producer, has just taken bold decision which could change its product spectrum significantly during the 1990s. On the recommendation of Dr. Ray Decker, vice-president in charge of research and development, the Toronto-based board has committed substantial funds commercialising

research-based ventures. The company has allocated 57m a year to MPD Technology, a subsidiary which acts as a nursery in which selected ideas from its own scientists are being cossetted. During the next five years the commercial potential claimed for them will be proved (or disproved) and production routes optimised. The decision to commit more resources to MPD, says Dr. Decker, followed Inco's appraisal of a study called The risky business of diversification," published in Harvard Business Review last year (May/ June 1979) in which the performance of new business venfures launched by about 200 companies was examined.

The study showed that new ventures are not for the fainthearted nor the impatient," says Roger Tharby, managing director of MPD Technology in first eight years, and tout such ventures need an average of 8-10 years before they make profits; and 10-12 years before they sis and 10-12 years before they can be expected to yield the kind of return one expects of mature businesses.

r blames

Scientists must by nature be

from being deterred by these most of today's uses for nickel, which long periods of gestation, Ray Decker takes heart especially from the "classic" case of the 3M Company. For more than 30 years its top management has supported a corporate newventure activity. In the 1970s 3M's new business venture division spun off new products and

Dr Decker-a metallurgist, like many Inco top executives has great faith in "supply economics"; in this case, in technologists helping to open up new markets. By the end of this year he will have spent about \$8m laying the foundations of MPD Technology since the late-1970s, using ideas and people from his three research centres, one in England and two in the U.S. His target is that by 1990 each new venture nursed to adolescence by MPD shall have Europe. It found that cash flow sales exceeding \$50m, pre-tax is unlikely to be positive in the profits of \$10m and an operating sales exceeding \$50m, pre-tax return on investment of at least

> Inco desperately needs to diversify out of the original commodity which built it into a group with sales of \$2.5bn last customer-contractor principle. year. From its beginnings in

30 per cent

Two decades ago it had 70 per cent of the western world market. Today, although still market leader, its share is only 29 per cent. Not only have more suppliers entered the market, but nickel demand has become still more cyclical.

business aggregating sales Ray Decker believes that almost equal to an average Inco's considerable success in the established 3M division.

Ray Decker believes that Inco's considerable success for nickel discovering new uses for nickel discovering new us discovering new uses for nickel -new nickel-rich alloys for jet engines, chemical plant and cars, for example—encouraged other, less innovative producers to market nickel and undercut Inco's prices. Today it is one of half-a-dozen big producers. It spends \$16m a year on research at the centre and a total of \$40m on corporate R and D and engineering.

#### Freedom

Decker himself is chairman of fruitful," claims Dr. Decker, who technology co-ordinating committee for the whole \$40m, on which sit executives from each of its four divisions. Each division pursues its own R and D and in addition commissions work from Decker's three corporate research centres on the

The corporate laboratories both patient and optimistic. Far 1916, the company has pioneered are seen as the main fount from finds it hard to curb his own

which new research-based curiosity—to resist the tempta-ventures are most likely to tion to inquire how an idea is ventures are most likely to spring. For this reason MPD Technology — the letters stand for "materials, processes and devices"—has its home in the born in the U.S. laboratories in New York State, in 1976, and a parailel organisation created at Inco Europe's laboratories in Birmingham two years

The European research centre, directed by Dr. Alan Folwell. specialises in two lines of re-search: materials and processes. and electrochemistry. It has spawned two of the five new ventures currently being nursed by MPD, and shares another with the U.S. scientists. Dr. Folwell stresses the freedom his scientists have to pursue re-search of their own choosing, in tandem with projects commissioned by the business divisions.

This freedom has been "very

later.

introduced the notion two decades ago. "It gives a real incentive to start something from the grass roots." As Alan Folwell sees it, the important factor is not to "over-manage." A list of the unsponsored lines research his scientists are following is submitted to him at intervals. He admits that he

progressing, antil the scientist himself volunteers to talk.

Venturing out of a nickel-plated mould

Inco is spending an unusual amount of time and money nursing into the market the fruits of its research. David Fishlock reports

It is MPD's job to monitor this research and help to winkle out schemes that might grow into new businesses. MPD itself is managed by scientists and reports directly to Dr. Decker, based in the U.S. As MPD divi-sions—as it prefers to call its ventures—take shape they will continue to draw their technology from the research labora-tories until they are strong enough to have their own, says clared a new division of Inco; Roger Tharby, MPD, a team of 21, has been

is nursing four at present, with a fifth taken care of in the U.S., and the sixth "coming up." The was prepared to make available pathetically considered," says by way of people and money Tharby. to carry out this kind of intensive care for its entrepreneurs.

MPD should never be taken unawares by a proposal, says Dr. Derek Burr, its general manager. It expects to have four new ventures being cared followed any idea for two or for in Birmingham will prove a three years before taking it success, into its own care. Each area of to live." MPD has the freedom to draw already surmounted their bigits ideas from any part of Inco's research. It may think a British

Even at this stage each venture will have a business plan, to much tighter specification

the potential manager.

Once accepted by the nursery, MPD expects to cosset a venfolds in the meantime. By then, although it will still not be profitable, it is expected to be sturdy enough to stand alone. At this point one of four things will happen: it might be deit might be added to one of the existing divisions; it might designed to nurse a total of six be sold, if judged unlikely to new ventures. In Birmingham it meet the corporate criteria on sales and profits; or it might be judged to have failed. For the manager whose project fails limit on the number of ventures there can be no guarantee of a was set by what the Inco board new job but he will be "sym-

#### Hurdles

Dr. Burr is confident that all He believes they have gest hurdles.

One aims to exploit Inco's

idea will do better in the U.S. advanced technology of high-market, for instance. advanced technology of high-speed electrodeposition to make "not too specific," drawn up by than can be manage the man MPD has identified as ally by rolling. than can be managed economiclarge markets include a new type of battery and "the best

solar collector surface in the

world." Another. origin, is called Tempress, and is based on techniques for forming very tough metals such as stainless steels and titanium It is exploiting new alloys exhibiting the property of "superplasticity" and new techniques for forming red-hot The plan is for Inco itself to open up a market as a supplier of high-added-value components to the aerospace and defence industries.

Alloy Polymers is a venture based on the invention in Inco's U.S. laboratories of an engineering plastic—essentially poly-propylene laced with carbon which can easily be electroplated. The big targets for these "Caprez" plastics are cbromium-plated trim for the car industry and for domestic plumbing, etc.

The fourth venture, Ergenics. draws its technology from both sides of the Atlantic. This project is based on facilitating the

uses of hydrogen gas as a fuel It promises to take Inco into quite sophisticated systems for storing and compressing hydrogen, into heat pumps and other and into porous nickel elec-trodes for the large-scale manufacture of hydrogen by electrolysis.

These new business ventures, all born of Inco research, form diversification programme. The other two arms use mergers and acquisitions, where the initial cost is high compared with MPD's activities, but the risk is lower: and venture capital in support of new ventures outside Inco's expertise. Biogen, the genetic engineering venture based in Geneva, of which it

has 24 per cent, is a good example of such an investment. For MPD's ventures, the cost of entry into the market is relatively low, because the ideas, skills and technology base are all available inside the company. But the risk is high and the timescale is long. Dr. Robin Nicholson, managing director of Inco Europe, sees it tapping the talents researchers who are not making 200d headway in research itself but show a flair for business.

As might be expected, Dr. Decker takes a more cautious view than his MPD executives of the chances of commercial success of new ventures. He expects 50 per cent to fail while those which survive five years of nursing to go on to commercial

SMALL businessmen who want time zone throughout the EEC European markets or need to know what EEC laws affect them should get in touch with their friendly Member of the European Parliament. He or she is well equipped to help-better placed, in fact, than a national MP is to provide a similar

This was one of the messages ference in London organised by the European Democratic Group of the European Parliament. predominantly composed of British Conservative MEPs. The conference was designed to provide a forum at which MEPs could establish what British O be discussion when seeking businessmen are seeking Furane and from the European Parliament.

The outcome was a mixture of expected suggestions, such as a special fund for financing like a proposal for a common to-earth problems like the ad-

time zone throughout the EEC to give businessmen more hours in which to make contact in other countries. If you want to know the tempo, ask an MEP to launch themselves in other to give businessmen more hours

David Mitchell, the Industry Minister with special responsibility for small firms, reaffirmed his support for a sector that was the "backbone for a free Europe," but admonished small firms for having "barely started to tap the vast and rich market on our doorstep on the Continent." He also urged that just as small firms must ensure they influence policy makers in Whitehall and Parliament in Westminster, "so too they Westminster, "so too they must use the machinery now available to do the same in

broad ideals in relation to the potential of a vast European lations. market and the need to get a better balance between the numbers of small and large all businesses, and surprises companies, it was more down-

But for all the discussion of

Stan Mendham, of the Stan Mencham, of the but no message," said Fred Cheshire-based Forum of Pri- Tuckman, MEP for Leicester by the British Government, and Mitchell has said he have liked it to go David would higher. But he has also pointed out that Britain is now bound by previously agreed EEC regu-

The conference was beld as a response to the major U.S. small business con-

ministrative burden of Value it was also prompted by the a further session to put meat Chambers Added Tax which preoccupied reaction of small businessmen on the bone. The Washington counterclaim that small businessmen many small business represen- and their representatives when MEPs canvassed them earlier

vate Business, reckoned that a and chairman and chief instigamajor preoccupation of his members was that the VAT exemption threshold should be get-together was seen as a way raised substantially. It has re- of getting agreement on matters cently been lifted to £13,500 that could be focused on in the European Parliament.

#### Major gap

If the areas for action which finally emerged were somewhat broad and lacking in detail, this was largely due to the brevity ference that took place in of the conference; it lasted just Washington in January. But one day and would have needed

conference lasted for the best part of a week.

However, a dialogue was clearly established between UK could prove to be a major step forward in enlightening the former to the possibilities that exist for them in the EEC, and to the problems with which they will have to contend. For it was clear that a major communications gap exists. Where does the small businessman find out about Europe?

This problem is not helped by some small business organiness people just do not read the information with which they are already provided.

Six areas for action were agreed on. First was for specific small business organisations EEC funds to be earmarked for it was not made clear what such funds would be used for, or whether they should be allocated as a new fund or from existing funds). Second, it was suggested that

the European Democratic Group's recently constituted and the effects of non-tariff tioned whether, at a time when small business committee should produce a smail businessman's guide to the sations blaming, for example, EEC, giving information and should be produced on the the Chamber of Commerce for advice on grants, loans and experiences of the U.S. Small failing in this area, while other matters, as well as ex- Business Administration and

plaining how to formulate applications and how Community decisions are reached.

# Third, an investigation should

Time zone

patent law should be scrutinised being examined, but he quesbarriers on trade should be the government was trying to investigated. It was felt that a report

examine those areas, where needs for EEC finance were not being met. Finally, an investiinstances of suspected bureaucratic or legislative excess was proposed. Some division emerged among

the delegates on the much-discussed question of a loan guarantee scheme, a concept already practised in several continental countries. The small be made into whether the business organisations appeared British small business sector is to be generally in favour, but too small in relation to that of banking representatives were other EEC states: the viability largely cool. For his part, David of a uniform time zone should Mitchell confirmed that the be researched; the working of possibility of such a scheme was lower the level of bank lending it should embark on a scheme that would increase it.

Nicholas Leslie

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• PROCESSING

# Solves X-ray plate storage problems

Netherlands and now to be made available in the UK by Micrologic Consultants of other x-ray Basildon is a system which will accustomed to. reduce x-ray plates of sizes up microfilm reade: to 17 x 14 inches to an accurate copy on 35mm film, achieving tone scale improvement at the same time. The system, which can be

used in daylight, employs a cathode ray tube mounted vertically upon which the x-ray plate is placed. A blank raster is canned by the tube beam and the light spot produces results in a varying light output from the tube face as different film densities are encountered. Thus, each pixel of picture produces a light level and this becomes the input of a photomultiplier and a tone adjustment system. The output of the multiplier is then used via a lens/mirror tystem to scan a corresponding raster across the 35mm film.

Since the negative x-ray plate on negative 35mm film results in a positive image, chemical restore a negative of the kind the medical profession and accustomed to. Viewing is on a

microfilm reader. The equipment, which costs £21,000, is aimed at hospitals where the cost of storing a large number of big x-ray plates is considerable, not only because the silver cannot be retrieved, but also because a great deal of space is taken up and large envelopes have to be purchased to keep the films.
It is also claimed that the

image is improved in relation to the original plate so that diagnosis can be easier.

Given the present price of silver (£8.40 is recovered for every kilo of film) and taking all other savings into account, the company claims that the average trospical will recover the cost of the equipment within a fortnight.

More from Micrologic House,

of T.R.W. Clifford has been sideways motion, the driver reuesigned and, with the use selecting the direction by of four-way trucks, enables the means of a single control lever, company to hold up to 50 per Change of March 1987. 40 Bowlers Croft, Cranes Industrial Estate Basildon, Essex

#### HANDLING Moves bulk materials with ease

THE NAME Caterpillar has over the years been synonymous with construction equipment as hydraulic excavators, tractors, scrapers, off highway trucks and so on. It is a name which may become equally wellknown in the industrial bulk materials handling field because its owner, the Caterpillar Tractor Company of Peoria, Illinois, is backing a British designed machine which is based on its 235 hydraulic excavator.

This 360 degrees machine is being marketed by H. Leverton and Co., a wholly-owned subsidiary of UAC, and it has been designed to handle materials ranging from scrap metal to coal, iron ore, grain and refuse. It is stated that while the machine has been found to be particularly suitable for bandling scrap metal it has shown equal efficiency (when fitted with the right accessories) when employed as a dredger or sludge handier.

tion Road Industrial Estate,

Four-directional travel on the

Truck goes all ways

STORAGE/RETRIEVAL system load wheels for forward and

cent more steel bar storage to be fast—the time being vir-capacity, says trucks supplier, tually equivalent to the time it

Chesterfield (0246 the maker, provides one of the

Sidetracker Engineering, Sta- takes to operate a lever.



The long arm of Leverton's Caterpillar 235 materials handler reaches down into a barge.

claimed.

The machine weighs 46

found especially suitable for loading and unloading ships, thus speeding turn round of vessels. In one case, about 1,500 tons of scrap metal was loaded into a vessel in 10 hours, thus allowing it to sail on the next tide. It can load road and rail vehicles with equal facility, it is

Leverton says the 235 tonnes, has a maximum materials handler has been horizontal outreach of 15 metres

This particular truck, says

materials handling available for

a situation where height and

metres. With a standard arrangement it will reach a depth of 6.3 metres, but with attachments can go down to 15.2 metres and still provide 3 metres of ground clearance for

is to sell at about £100,000, but arranged to deal with specific materials and problems of

However the versatility of the machine is such, says Leverton. that together with the available range of configurations and special attachments, it could soon recompense for the initial

and a height of just over 12 handling it could cost as much Caterpillar distributor for the north, east and south-east of England developed the machine in conjunction with Westlode Engineering and it will be available from Caterpillar dealers in all parts of the world. In the meantime, full details of the

financial outlay; materials can machine and its capabilities can be obtained direct from Leverton at Maidenhead Road, be placed precisely and transport kept fully employed with the minimum of waiting time. Windsor, Berks (Windsor H. Leverton, which is the

# plotter. Programming and verification times are said to be substantially reduced while

proper layout patterns. Known as Hi-Pro, the system already has 80 users in the U.S. There are programs to deal with parts programming, patlayouts, minimisation of tool travel, and visual verification and documentation via the plotter. A final program will

generate a specific format for particular punch press, for feeding an NC punch. The visual verification pro is particularly useful since it allows users to view the output at any angle and to "window in" on a specific

area. Errors such as tool collisions are obviated. Geisco is at 114 Southampton



Art-marine paintings-ship models-Maps-Topographical Items-Silver-Japanese prints

# New electroplating line AN ADVANCED electroplating with a total maximum mandrel

line with a microprocessor-based control system has been supplied by W. Canning Engineering to a new factory for Producing piston rings. Wellworthy of Lymington,

member of the Associated Engineering Group, is nearing completion of a £10m piston ring manufacturing unit at Belliver, Plymouth, believed to be the most sophisticated of its kind in the world. The Canning line hard chrome plates the periphery of piston rings, made of cast iron, for diesel engines. Various types of ring are produced at the Plymouth factory in sizes ranging from 21 to 61 in

The return type Glydaire electropiating plant, 72 ft long, 25 ft wide and 15 ft 9 in high, has a double line layout with those transfer unit, each "leg" of the layout proping o of the line having a single transporter. For plating, the piston rings are mounted on mandrels. The transporter takes one mandrel per carrier bar, B19 3JS. 021 236 8621.

and work weight of 100 lb. Plating vats accommodate two mandrels, each with independent rectifier control, and process time varies between three and 15 hours, depending on the type of ring. Hard chrome thickness is 0.007 to 0.016 in before final machining.

Unique to the plant is the microprocessor control system. Each transporter contains its own microprocessor which directs movement and ensures compliance with appropriate safety considerations. A pre-set controller independently controller the transporters and issues trols the transporters and issues start/stop instructions to ancillary plant. This controller stores details of all the pre- and post-plating operations. After plating it computes from which leg of the double line the flight bar must be retrieved and puts it through the post-plating sequence including the cross

transfer unit. W. Canning Engineering. Gt. Hampton Row, Birmingham

Sidetracker GP truck is space restrictions limit a truck's achieved by a separate set of manoeuvreability. SAFETY Takes samples of the air

technique for personal air sampling in which the contaminated air is drawn into the unit by a pump, a system developed by Casella London makes use of a pre-evacuated aluminium container. Air is admitted through an

adjustable flow-controlling valve for periods ranging from 10 minutes to eight hours. The collected sample can then be analysed for components of interest, most commonly by gas chromatography

spectrometry. The device weighs only 60

INSTEAD OF the customary grams (2 oz) and is of course completely safe in flammable atmosphere since no source of electricity is neded. It is also considerably cheaper than pump instruments. Designed at the Medical Research Council, the container can be slipped into any convenient pocket while the tip of the plastics air-tube is positioned close to the subject's

breathing zone. A kit can be supplied containing six cylinders, two control heads and accessories.

More from Regent House. Britannia Walk, London N1 of flue gases. 7ND (01-253 8581).

With what it calls a standard back hoe configuration the 235

# ENERGY

#### More heat with less fuel HIGHER COMBUSTION efficiencies, and a considerable supplied by AEW are much saving in energy costs, can remore widely used in the U.S. sult in boilers where turbula-

tors of a new type are inserted into the fire tubes, says AEW Energy, Walworth Industrial Estate, Andover, Hants (0264 61331). These benefits are evident following installation of the turbulators in a boiler at Akzo at Gillingham, Kent, where there is a Thompson Cochran Multi-Pak B type,

rated at 8820 lb/h steam at 150

It is a three pass, wet back installation, fired by a Ham-worthy AW1-10 rotary cup. forced draft burner using 3500 see heavy fuel oil. Approximate consumption before fitting AEW turbulators was 1m litres a year at an estimated cost of £100,000.

Turbulator strips were inserted in only one hour, plus the turbulator faces may be two hours for replacing the boiler front plates and covers, undertaken by AEW's regional distributor, Bowden Brothers of Bromley, Kent. Boiler operawas interrupted for only one day. Immediate effect, says the company, was an increase of fuel combustion efficiency of 4.5 per cent measured by the the distribution of hot gases.

the UK, turbulators of the type boiler is achieved, with greater where they are rapidly replacing alternatives, such as baffles, spinners and other devices some of which present back-pressure, weight and incompatible expansion rate problems. Formed in 14 gauge mild

steel, they are shaped to present a many faceted surface to the flow of hot gases in the final pass of boiler fire tubes. Without back pressure or baffle effects, the turbulators create a high level of turbulence in the gas flow, preventing the formation of "hot cores" and forcing the gases into direct contact with the tube walls.

Heat transfer is greatly im-proved by this 360 degrees, evenly distributed release of heat into the tube walls.
For each boiler installation, varied to achieve optimum performance. Commonly, strip faces are formed into opposing 30, 45 and 60 degree bends. Longer turbulators with some

resistance to gas flow are often placed in the top tubes of boilers, with shorter strips in the lower tubes. This improves temperature and CO2 content pushing them deeper into the Better water circulasystem. Although relatively new to tion within the body of the

Problems of condensation in occur when lighting a boiler from cold) are minimised and it is also claimed that the reduction of differential expan-

sion achieved by more uniform heating extends boiler life.

New turbulators as installed at Akzo Chemie are easily removed for inspection or cleaning and, even in a system failure situation, it is said extensive overheating would only cause them to flatten, thereby reducing any risk of damage to the boiler tubes.

Row, London



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# British Anzani—now the latest chapter

THE four-and-a-half thousand again participating in their com-shareholders in British Anzani, pany's affairs. the construction and property group which has struggled for survival since 1977, may be pernews that some accounts are finally on the way.

It will not be the first time that such a tantalising prospect has been held out by a group whose shares have been sus- and run Connaught Property pended for the best part of and Land. three years and which has given little or no insight into the efforts made to keep Anzani going.

But it really does seem that shareholders could soon be receiving some hard information about a business which has been to the brink and back but which can now-with their approval-look to expansion and talk of equity funding plans to help build a new future.

Not only should they have detailed accounts for 1977-78 and 1978-79 dropping through their letterboxes within three months but they will be learning of a sequence of events every hit as interesting as the longlost figures

It now appears that Anzani is within grasping distance of sorting out a tangle of affairs and characters which has gone on behind the scenes since the group announced in November. 1977 that it was negotiating for survival with some of its

Numerous debt-reducing deals (as well as a few directors) have since passed under Anzani's particular bridge, but a recovery programme is well under way and shareholders should soon enjoy the rare experience of towards the end of 1979 when

At the centre of the "new look " Anzani, which has not yet mitted a wry smile on hearing freed itself from a troublesome past and has some way to go before talk of profitable trading can be resurrected, are the two men who between them own

One of them is Mr. Michael Morris, a property man who was last seen in public when he was at the Guardian Bank and who, when it failed in 1967, personally saw to it that depositors were repaid £200,000 from his own resources. His partner is builder Mr. Kenneth Fincken and the two men set up Connaught about two years ago. Their involvement in Anbani's life-saving operation is being equally shared with interests represented in the shape of the Savings and Investment Bank of the Isle of Man.

Anzani started life as a manufacturer of outboard motors and agricultural equipment and turned its hand to property in the late 1960s. It was property which brought the group to its knees and, in a bid to clear heavy debts and eliminate losses. Anzani embarked on a disposal programme which left it with a net asset value below the 15 p suspension price, little property to talk of and a business confined to civil engineering, building and some asphalt

and plant-hire activities. Mr. Morris and Mr. Fincken first took an interest in Anzani finance. They found Medway

draft. It is understood that the Revenue. total sum involved in the pur-£460,000 including debt repayments. The deal was concluded in early February.

A few days later, the board of Anzani approached Connaught to see if it was interested in helping the group as a whole. By late February, Mr. Morris had finalised plans for a complete reconstruction of the company and arranged terms to supply the required finance.

But in the meantime Anzani had apparently been casting the net wider and on the eve of an already postponed winding-up hearing in the High Court the company's talks with another potentially interested property group, thought to be Marler Estates, ran aground,

#### Resigned

Connaught was by now a creditor to the tune of £250,000 for the work done and Mr. Morris was again brought in. The makings of an agreement were put together a week before to capital the High Court hearing, and Connaus three of the most recent recruits under way worth around £2m in to the board. Mr. Ivor Shrago, profits which could go into

Since April, the recovery plan Secondary Metals, an Anzani has been put into operation. subsidiary which appealed to With the Savings and Investthem as a dealing operation, ment Bank, Connaught managed albeit in scrap nad not property. to get the petitions lifted by The deal ran into delays and purchasing for over £400,000 the was only completed when Con- near £1.8m debenture from naught agreed to pay out the Anzani's principal bankers and company's bankers rather than making a start on repaying a buy it with the existing over- similar amount to the Inland

The Connaught-Savings and chase amounted to about Investment syndicate has also put up around £1m in order to open up some of the company's sites and try to give something non-petitioning creditors (owed around £2m).

#### **Options**

Connaught and its partners are so far thought to have put about flim into the company and, while it has acquired options on Anzani shares, its actual holding is still under 5 per cent. It is thought, bowever, that the syndicate's plans envisage an eventual holding of anything between 30 and 50 per cent of the equity.

thought to have around £7-8m of work in progress and an annual turnover of something between £15m and £20m, An equity funding plan to help repay outstanding debts looks likely and the syndicate could be expected to take up its rights in any issue and may well also commute some of its debenture

For Anzani itself, the group

Connaught says it has deals

they were looking for run-down Mr. J. J. Ullman and Mr. M. J. Anzani. The now healthy scrap businesses thirsting after Morris, resigned. operation (turnover of about £350.000 is heading for £500,000) could also be injected back into the group.

> The three Anzani directors remaining—Gerald Fauil, Bob Rushton and Malcolm Norris are, with accountants being paid by the syndicate, working to produce a full picture for an AGM in the autumn. Shareholders should then at least have the chance to vote for a new future.

#### IN BRIEF

• North British Properties has purchased the former St. Ann's school in Queen Street, Manchester, and is to build a five-storey, 11,500 sq ft office block on the site. The free-hold scheme will be known as Oncen's Court.

• The Royal Oak Benefit Society has told its former 4.000 sq ft freehold headquarters at John Street, WCl, for around £275,000 to a subsidiary of Bloomsbury Properties. The new owners intend to let the 1,500 sq ft vacant accommodation after refurbishment. Norman Hirshfield Ryde and Browne acted for Royal Oak and W. H. Read represented Bloomsbury.

• Woolwich Equitable Building Society has purchased the heritable interest in 16-20 Murray Place, Stirling, from Abbey Life. A figure in excess of £400,000 was paid for the three-storcy building. Healey and Baker acted for the Woolwich.

#### Hong Kong booming

OFFICE TENANTS in the booming Hong Kong property market are now paying almost as much for top quality accommodation as tenants in central London, according to the latest international survey carried out by British-based agents Richard

The survey shows that best quality air conditioned suites of 5,000 sq ft now fetch an average rental of £21.60 a sq ft in Hong Kong. This compares with a top average rental of £22 a sq ft for small space in central London —still higher than anywhere else in the world, says the

Hong Kong rents, however, include service charges which are not normally paid by British Excluding service tenants. charges Hong Kong rents average just over £16 a sq ft. London's clear lead in the

rental table—which Richard Ellis measures against office rents in 22 other major international centres—has been considerably eroded over the past six months during which time Hong Kong rents have risen by over £5 a square foot.

New York is now placed third the rental league with tenants paying an average of £17.95 a square foot for small suites, including service charges.

Ellis believe that significant changes may be underway in the climate for international investment in the office sector. with increasing emphasis being placed upon investment in developing nations while growing automation of office services industrialised countries will also influence the market.

# Share prospects are looking 'reasonable'

WITH THE property share index currently standing at its highest level ever, having outperformed the all-share index over the past three years, the prospects for the sector still look " reasonable," according to brokers Quilter Hilton Goodison.

Quilters point to sound balance sheets, sharply rising profits at a time when companies eisewhere are under pressure, the prospect of falling interest rates which belp sentiment (even if they have little impact on revenue profits) and, last but not least, the readiness of investors to accept lower discounts in a bull market.

In view of all this, say Quilters, "it looks as if the property sector over the coming months should continue to move in line with the equity market"

The firm, along with several others, is expecting a revival in bid activity in the near future, largely in view of the unsatisfied demand for good properties. The KIO-Hay's Wharf affair and the Costain-County and District talks could well be signs of things to come

• The amount of air-conditioned office space let in the West End during the first half of 1980 fell to 483,000 square feet compared with 533,000 square feet in the same period last year, according to agents Leslie Lintott.

Lintott says, however, that

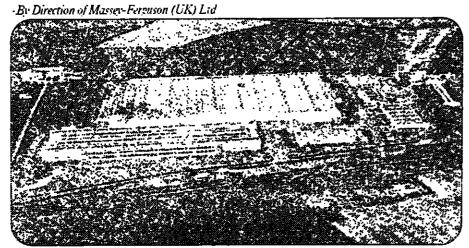
approached £15.50 4 square foot against a figure of around £12.50 a year earlier. The amount of air conditioned space available has remained relatively stable since April around the 800,000 square foot

The Pension Fund Property Unit Trust has completed its first overseas development in the shape of an office-shops building in Georgetrasse, Hanover. Total cost of the scheme with be just over the sale was be just over the action and grounds yield. One shop and a restaurant remain available. Weatherall Green and Smith are letting agents

 Banque Française du Commerce Exterieur is to take a lease on the entire 14th floor of Morgan House, City. The 5.100 sq. if floor has been taken on a 10-year lease at a rental of about \$20 2 sq.ft. Jones Lang Wootton acted for the Bank and Westherall Green and Smith represented Morgan Guaranty: Trust.

• Industrial and Commercial Property Unit Trust in con-junction with Pentos Pub-junction with Pentos Pub-lishing, have purchased 47-50. Marylebone Lane, WI from the Scripture Union. The 11,000 sq.ft building will have a capital value of around £20, when a refurbishment pro-gramme is limished. Clive Lewis and Partners acted to Lewis and Partners acted for Pentos and the vendors were represented by Richard Ellis.

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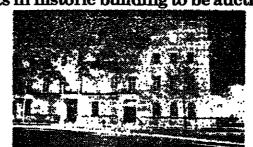
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**OCTOBER 14 1980** 

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Past year has seen great excitement in the metal marrast year has seen great excitement in the metal markets with the gold and silver "Boom." and some violent fluctuations in prices of base metals. The economic recession has helped cool the markets down, but there seems every likelihood of further excitement during the 1980s that could bring radical changes in the whole structure of the Metal Exchange. Already the exchange is going through a period of change with the launching of new contests and the proposed recent except and the proposed recent except. of new contacts and the proposed move to new premises.

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Review of individual market prospects for: (a) Copper; (b) Tin; (c) Lead; (d) Zinc; (e) Aluminium; (f) Nickel; (g) Silver.

For further information please contact: Simon Hicks Financial Times Bracken House, 10 Cannon Street

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Alt mest gently

3. 18<sup>17</sup> 25<sup>7,1</sup>

The state of the s

# The high price of success

BY DAVID FISHLOCK

have brought it about. We still tend to see "QSEs"—qualified dustry is seen as having lost scientists and engineers—as ground most disastrously. self-indulgent boffins belonging in backrooms, on tap but hardly to teach them to use and appre-Ciate their revolutionary inven-

Circulating in Whitehall is a report on QSEs in government. Whether or not the Government accepts its conclusions could be of crucial importance

The Holdgate report. drafted by a committee headed by a department chief scientific adviser, Dr. Martin Holdgate, defines the need for a new kind of civil servant. It finds that " technolo-We urgently need gical generalists." What we at present are "arts " scientific generalists" and "scientific specialists"—the latter mostly shut up in backrooms called national laboratories. This unique separation into the two cultures of the civil service is downright disabling for the nation, the Holdgate report con-

#### Barrier

scientific research and innovation takes place in national laboratories. This is a legacy of a misreading of the wartime success of Allied governments in harnessing a national effort in contracts. This has led its of nuclear weapons in the U.S. Post-war, for Britain, the twoculture structure of the Civil Service has proved a most effective barrier to the transfer of civil technology from national laboratories into the factories, Only the most determined efforts by individuals-such as was made at Harwell in the 1970s—can breach this barrier, unlikely to pay for the bedrock it seems.

In fact, as matters stand there is remarkably little incentive for the Scientific Civil

THE BRITISH, tetering at the proved upon by the creator of edge of a technological revolu- Catch-22. In Scotland we have tion in which they will have to the National Engineering learn to live and love micro. Laboratory, set up shortly after processors and robots and the war, which for over 30 nuclear power, still do not know years has been working in the what to make of the men who very areas of mechanical engineering where British in-

A recent inquiry has found 'NEL largely out of touch with ever on top. In contrast, our those sectors of industry it is trading rivals see QSEs as the best fitted to assist. So deep is best fitted to assist. So deep is men who also are best qualified. the divide that when British-Leyland was sufficiently impressed by NEL's work in the vibration · testing of truck chassis to acquire not only the technique but the men, NEL's (then) management saw it not as a triumph but as a disastrous blow to the laboratory's stand-

But serious attempts by the Department of Industry to sell NEL. or merge it, or close it all came to naught. It turned out that NEL has good people, paid more generously than its associated industries see fit to pay, and therefore having little incentive to co-operate in any change. Many, moreover, have constructed a cocoon of expertise in the world of science and are reluctant to risk this professional base by applying themselves to a project such as the development of new manufacturing technology.

The Department of the Environment also has a laboratory engaged in research close to the needs of British industry.

the Thames is that industry is prepared to pay quite hand-somely for its work. A substantial part of its budget is earned to solve major technical prob- political masters to conclude that it should simply be hived off as a commercial operation. But, unlike NEL, no UK manufacturing industries need the services of the Hydraulics Research Station to upgrade their technology. Its clients are departments of government, local authorities, engineering consultants They might well continue to pay well for specific studies and modelling, but are of scientific research on which its high\_international reputation rests. Their very success over the years in attracting the Service even to try. Take this patronage of such clients now promises a bleak future for these QSEs.

#### 8.10 Des O'Connor Tonight.

9.00 News. 9.25 Starsky and Hutch.

only). 10.45 Regional, National News. 10.50 Cricket: Fourth Test highlights.

10.15 Tarzan, Lord of the Jungle. BBC-1 except as follows:--

BBC Cymre/Wales — 1.30-1.45 om Bys a Bawd. 7.35 Wales om Bys a Bawd. 7.35 Wales Today Bulletin. 7.40 Heddiw. West Indies. 1.30 pm Bod. 1.45 Today Bulletin. 7.40 Heddiw. News. 2.00 "The Courage Of 8.10 Gwibdaith I Lanelwedd. 8.35 Black Beauty," starring Joan I Didn't Know You Cared. 10.45-Crawford. 3.15 Olympic Grand- 10.50 News for Wales; National News.

News for Wales: National News. Scotland — 1.25-1.30 pm The Scottish News. 10.15 Beech-7.35 Comedy Classic: Some Mothers Do 'Ave 'Em. grove Gardener's Roadshow visits

# Councillors' foresight

BY ANTHONY MORETON, REGIONS EDITOR



#### DARTFORD TUNNEL

estimated cost in 1936 of £3.5m if long delays at peak times were to be avoided and if the tunnel was to cater for the ris- occasional. ing volume of traffic a second tunnel roadway would be tee is to keep toll income needed. menced in 1972.

tial segment of the M25 orbital Though the councils were inroad which by the end of the strumental in getting the tunnel opening of the second tunnel built the government laid down but there were objections and many of the operational condi- an inquiry will now be held, tions. The Dartford Tunnel Joint probably by the late autumn. sight of the two county councils Committee, which runs the tun-nel on behalf of the councils' and without other than minimal government help. The idea of can for instance levy tolls but responsibility of the two councrossing the Thames somewhere around this point is not new. In cannot increase them without cils while the motorway net-Transport, who invariably, sets become a part, is its own res-up a public inquiry each time ponsibility is difficult to underslightly further along the river between Tilbury and Gravesend. an increase is proposed. Work on a pilot for the original tunnel began in 1936 but building itself was delayed by the war and not started until

The situation in which the councils have to pay the bills vet do not have full control over the income is a source of some irritation and seriously hampers financing of the capital charges. have been paid for, and the Rising interest rates have played havoc with tunnel generally suspected that it will

of £1.7m in 1977-78 fell well minimum outlay. short of interest payments of 13.8m; this shortfall continued that a third, or even a fourth in 1978-79 when the surplus tunnel section may be needed. was £2m against interest Completion of the M25 will charges of £45m. Last year it generate additional traffic which has been estimated that income will lead, especially during the

and eventually obtained, an instimated cost in 1936 of £3.5m. 35p, a rise of 10p. But the in operation this has been cut it soon became apparent that Minister hinted that future induction drastically but, even so a 15 long delays at peak times creases should be small and minute wait is still possible are to be avoided and if the forement that future in the avoided and if the forement that forement the small and minute wait is still possible are to be avoided and if the forement that forement the forement that the forement frequent rather than large and

The problem for the commit-Work on that com- abreast of inflation. The committee wanted to put the rate up to 40p to coincide with the

Why the Government should consider the tunnel to be the

the consent of the Minister of work, of which the tunnel will stand. The end result is that the Government is arguably getting something on the cheap since by the time the motorway is completed much of the capital cost of the tunnel will Government could-and it is

finances. An operating surplus -take over the tunnel for

By that time it is conceivable Completion of the M25 will will be £3m against charges of morning and evening peak times, to delays. Earlier this Faced with this deteriorating year, when there was still just situation the committee sought, one tunnel section, delays of up to 40 minutes were not uncrease in the basic car toll to known. With the second tunnel

during peak periods. There are two ways in which this situation might be avoided. The first is by abolishing the tolls. Some indication of how traffic can move more quekly came earlier this year when the toll booths were closed by in-dustrial action. Hold-up were

When the tunnel's capital costs have been paid the tolls have to be abolished in any case. So some traffic leeway, in the long-term, is to hand.

In the short term, however, some speeding of the flow might come from automatic coin col-lection. The Ministry of Transport disputes that automatic collection does much to speed the traffic but experience in America refutes this argument and so Dartford is to put into operation a dual system later

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have to stop and hand the 35p have a very great infinence on toll (for cars) to the attendant, its position. Thurrock, on the By the end of the year four of the 12 booths will have automatic collection bins with the toll money being thrown into a big hopper.

Altough the Dartford Tunnel is a busy pocket of activity it has not in itself done a lot for the economic life of its sur-rounding area. It has made travel between Kent and Essex easier and taken some of the ciliors who piloted the first pressure of traffic off outer Lon-don. But there is no evidence 1930 to allow its construction. that it has induced industry to

At the moment all drivers Kent side, but the tunnel did not Essex bank, is better placed to benefit because it has a lot of riverside industrial land available and one or two firms, such as Van der Bergh, are already active there

The real value of the tunnel will come with the completion of the M25. Then the Government will have cause in thank the foresight of the local councillors who piloted, the dist Those men had a better view take sites near the tunnel. of the future than many of the An industrial estate is to be high-ranking officials who have built at Stone Marshes on the sat in the Ministry since.

More than half of Britain's The difference with the cientific research and innova- Hydraulics Research Station on lems such as the development of the jet engine in Britain and

situation, which for sheer per-versity could scarcely be im-

† Indicates programme

in black and white

6.40-7.55 am Open University

(Ultra high frequency only). 9.55

Noah and Nelly. 10.00 Jackanory.

10.35 Why Don't You? 11.25

Cricket: Fourth Test-England v

5.50 Olympic Grandstand (con-

stand. 5.40 News.

BBC 1

10.15 I Didn't Know You Cared (London and South East

11.20 The Late Film: "Killer," starring Robert Stack.

Reay in Caithness. 10.45-10.50

## Julesian looks best for Ascot

THERE WERE few more competitive maiden events in on ground which will still have Europe last season than Ascot's plenty of cut in it, should Cranbourn Chase Stakes, in which Laska Floko prevailed. Today's renewal of the £4.000 event seems to have attracted an equally strong field. This

ON THE Friday of this year's

spring bank holiday a record

42,850 cars, lorries and motor-

bikes passed through the Dart-

ford Tunnel. A week earlier the

tunnel's £37.3m second "tube"

had been opened—the fact that

it immediately handled 10 per

cent more traffic than the pre-

vious record was timely justi-

fication of the large investments

in the project undertaken by

the Kent and Essex county coun-

cils, joint parents of the under-

taking.
The Dartford Tunnel crosses

under the Thames about 17

miles east of central London

linking the A2/M2 from London

to Dover in Kent with the A13

London to Southend in Essex.

More important, it is an essen-

1980s will be ringing London.

20 years ago thanks to the fore-

1799 an Act of Parliament was

passed allowing for a crossing

1957. It was opened in 1963 and

cost £11.5m to which the Government made a grant of £2.5m

-three-quarters of the original

The original tunnel was built

#### racing

BY DOMINIC WIGAN

to chiefly concern Brinkley, return to 10 furlongs. Julesian and Sand Hawk. Brinkley, who made the juvenile appearances, ran well for a long way in Newbury's Kenneth Robertson Handicap at for easier pickings. The Sir Newbury on his seasonal debut Jules Thorn colt's last run was before returning to that course undoubtedly the sort of effort on Saturday to finish a close second to End of War.

News for Scotland; National Northern Ireland - 10.15 pm Cross The Line. 10.45-10.50 News for Northern Ireland; National

12.30 am News and Weather for Northern Ireland. England—10.13-10.45 pm East (Norwich) Weekend; Midlands (Birmingham) Spare Time; North (Leeds) Direct Line; North East (Newcastle) Coast to Coast Special; North West (Manchester) Champion Brass; South (Southampton) Mary, Mary, Quite Contrary . . . ; South West (Plymouth) Prancing and Daneing all over the place; West (Bristol) Day Out.

and Racing from Ascot. 4.15 Play School (as 11.00 am).

4.40 Dinky Dog. 4.50 We're Going Places.

5.00 Hey Look, That's Me. 5.25 Fred Basset. 5.30 Cricket: Fourth Test.

5.50 Nationwide (London and South East only).

6.15 Cricket: Fourth Test. 6.35 Cartoon Two. 6.45 Animal World. 7.35 Mid-Evening News, includ-

ing subtitles. 7.45 Gardeners' World.

8.10 Dallas. 9.00 Vive La France: "Violette

Et Francoise.'

10.35 Cartoon Two, 10.45 Newsnight. 11.35 Open University.

BBC-2 Wales Only-4.45-5.00 om Lladron Donaw. 5.50-6.15 Wales Today. BBC-2 Scotland Only-5.50-6.15

pm Reporting Scotland. BBC-2 Northern Ireland Only-5.50-6.15 pm Scene Around Six. BBC-2 England Only-5.50-6.15 pm Look East (Norwich); Look North (Leeds, Newcastle); Points West (Bristol); Look North West (Manchester): South Today (Southampton): Midlands Today (Manchester): (Birmingham); Spotlight South West (Plymouth).

#### LONDON

9.36 am An Asian Notebook. 9.55 To The Wild Country. †10.45 Hopalong Cassidy: William Boyd in "Pirates On Horseback." 11.55 The Animates. 12.00 The Learning Tree. 12.10 pm Once Upon A Time. 12.30 Home Made for the Home. 1.00 News, also FT Index.

This afternoon's 10 furiongs, ideally suit Brinkley. Sand Hawk, one of the

highest priced yearlings of 1978, has also had two races this A disappointment at term. time I expect the closing stages. Newmarket in the spring after getting loose in the paddock. the Beckhampton colt ran far better at York on July 12

Sand Hawk, who was going best of all there a furlong out. is another sure to enjoy the

Peter Walwyn does not run Seven Barrows maidens out of frame on three of his four their depth, so it is significant that he has decided to saddle Julesian here rather than going which encourages hope of an

intial success on a group one 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Houseparty. 2.30 Project UFO. 3.30 Olympics 80. 5.30 Thames News.

6.00 Olympics '80. 7.00 Winner Takes All 7.30 How's Your Father? 8.00 The Spoils Of War. 9.00 Olympics '80.

11.00 End of Part One. 11.30 Side Street 12.30 Close: Cyril Luckham reads Lord of the Evening.

All IBA Regions as London except at the following times:-ANGLIA

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Cricket: Fourth Test and Racing from Ascot.
4.15 Play School (as 11.00 am).

ANULIA
9.25 am Certon. 9.45 Spiderman.
10.10 Operation Barbaross. 11.00 The MacKenze Atfair. 11.55 Cartoon Time.
12.00 pm Anglia News. 2.30 Story Hour.
5.30 About Anglia. 10.30 7 Days.
11.00 Soap. 11.30 Friday Late Film:
"See How They Run" (TV Movis).
1.15 am Your Music at Night. ATV

9.35 am Something Different. 9.50
The Master Builders. 10.20 The Fastest
Man in the World on Water. 11.05
The Entertainers. 11.30 An Exceptional
Child. 1.20 pm ATV Newsdesk. 2.30
General Hospital. 5.30 ATV Today.
10.30 WKRP in Cincinnati. 11.00 ATV
Newsdesk. 11.05 Movie Premiers:
"The Spell."

BORDER

9.30 am Catch 79. 10.00 Horses in our Blood. 10.30 Collecting with Curts. 10.40 Clapperboard. 11.05 Chopper Squad. 11.50 Cartoon Time. 1.20 pm Border News. 2.30 Chips. 5.30 Lookaround Friday. 10.30 Triangle. 11.00 The Late Film: "The Mad Room." starring Stella Stevons and Shelley Winters. 12.35 am Border Nows Summary.

CHANNEL

1.20 pm Channet Lunchtime News.

1.20 pm Channel Lunchtime News.
What's On Where and Weather. 2.30
Chins. 5.30 Certonn Time. 7.30
Channel Report. 10.28 Channel Late
News. 10.36 How's Your Father? 11.05
TV Movie Premier: "The Proud And
The Damned." 12.45 am News and
Weather in French.

GRAMPIAN

9.25 am First Thing. 9.30 Catch '79.

9.55 Horses in ou r8lood. 10.25
Collecting with Curtis. 10.35 Clapperboard. 11.00 Logan's Run. 1.20 pm
North News. 8.30 Cartoon Time. 5.40
North News. 8.30 Cartoon Time. 5.40
North News and Area Weather Fore.
cast. 10.30 The Export Scotch. 11.00
The Real Fire. 12.00 Reflections.
12.05 am Barney Miller. 12.35 North
Headlines and Rood Report.

GRANADA

9.30 am The Adventure World of

9.30 am The Adventure World of Sir Edmund Hillary. 9.50 Tarzan, 10.35 Clapperboard. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.30 Chips. 5.30 Granada Reports. 10.30 Soep. 11.06 A Reel Fire. 11.30 The Conti-nontal: Alain Dolon in "Shock Treat.

HŢV 9.20 am Survival. 9.50 Animated George C. Scott.

In an absorbing contest, Julesian is narrowly preferred to Brinkley and Sand Hawk, who, with Piggott in the saddle, is likely to start a firm favourite. ASCOT

for a division of the Candlelight Stakes, a fortnight ago, Pat

Eddery's mount was beaten only

by Brinkley's stable companion

Palmella, after a protracted

2.00-Julesian\*\*\* 2.30—Via Delta\* 3.00—Susanna 3.30-Sharp End\*\* 4.05—Dutch Treat 4.35—Olro's Folly

CARLISLE 2.15-Riversedge 3.15-Miss Redmarshall 4.15-Rum Punch 4.45—Spritely

Classics. 11.00 Sesame Street. 1.20 pm Report West Headlines. 2.30 SJ and the Bear. 5.30 Report West. 10.28 HTV News. 10.30 The Good Neighbour Show. 11.00 A Real Firs, HTV CYMRU/WALES—As HTV West/ HTV CYMRU/WALES—As HTV West/ HTV General Service except:—11.55 am-12.10 pm Cei Cocos. 1.20 Penewdeu Newyddion Y Dydd. 1.25-1.30 Report Wales Headlinss. 5.30 Y Dydd. 5.40-5.50 Report Wales. 10.30 The Royal Welsh Show 1980. 11.00 Peter Sellers (1925-1980). 11.30 Vodka Cola. 12.45 am Weather.

SCOTTISH 9.30 am Catch '79. 10.00 Horses in our Blook. 10.25 Collecting with Curtis. 10.35 Clapperboard. 11.00 Charlie's Angels. 11.50 Cartoon Time. 1.20 pm News and Road and Weather. 3.00 The Electric Theatre Show. 5.30 Scotland Today News and Crimedesk. 10.28 Scottish News Headlines. 10.30 Ways and Means. 11.00 A Real Fire. 12.00 Late Call. 12.05 am The Entertainers.

SOUTHERN

9.30 am The Wild, Wild World of Animals. 9.55 Chopper Squad. 10.35 Clapperboard. 11.05 Young Ramsay. 1.20 pm Southern News. 2.30 Fantasy Island. 5.30 Day by Day. 5.30 Scene South East (South East Area only). 10.35 Opinions Unlimited. 11.05 Best Sellers: Guayana Tragedy.

TYNE TEES TYNE ILES
9.20 am The Good Word followed
by North East News Headlines. 9.30
Hends. 9.55 Chopper Squad. 10.40
Clapperboard. 11.05 Survival Special.
1.20 pm North East News and Lookaround. 2.30 Story Hour. 5.30 Northern
Life. 10.32 Film of the Week: "Look
What Happened to Rosemary's Baby,"
starring Patty Duke Astin and Ray
Milland.
Christian.

ULSTER 9.30 am Catch 79, 10.00 Horses in our Blood. 10.25 Collecting with Curtis. 10.40 Clapperboard. 11.00 Sesame Street. 1.20 pm Lunchtime. 2.30 Story Hour. 3.28 Ulater News Headlines. 5.30 Ulster Television News and Sport. 10.29 Ulster Weather. 10.39 Vitiness. 10.35 Friday Film: "The Amazing Mr. Blunden," starring Laurence Naismith. 12.20 am Bedtime.

9.30 am Catch '79. 10.00 Horses in our Blood. 10.25 Animal Homes. 10.35 Clapperboard. 11.05 Cooking with Tovey. 17.15 The Beatles. 17.40 Tennis with Mark Cox. 1.20 pm Westward News Headlines. 2.30 Chips. 3.27 Gus Honeybun's Birthdays. 5.30 Cartoon Time. 7.30 Westward Diary. 10.32 Westward Late News. 10.36 How's Your Father? 11.05 TV Movie Premiera: 'The Proud and the Damned.' 12.45 am Faith for Life. 12.50 West Country Weather and Shipping Forecast. WESTWARD

YORKSHIRE YORKSHIKE

9.30 am World We Live In. 10.00
Mad Dog Geng meets Rotten Fred
and Ratsguts. 11.10 Chopper Squad.
1.20 pm Celendar News. 2.30 Story
Hour. 5.30 Calendar (Emloy Moor
and Belmont editions). 10.30 Sopp.
11.00 "Dr. Strangelove." one of Peter
Sellers best-known films, also starring
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A SALESMAN by Armur Miller.
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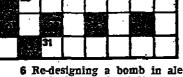
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26 Tin from the south to

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3 2}" fastener that is to hand 5 Neglect to superintend (8)

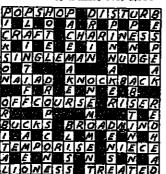


9 Full of holes and making me bashful (5) 14 Belittling note I chant (10) 17 Proclamation in a manner

18 He will shortly get coarse grass with reckless deter-19 Tall, very thin person, giving support for vegetarian

22 Is to arrive in traffic-free 23 Got the odour of fish (5) 25 Little devil the Spanish urge forward (5)

27 Rang up to snarl (4)



OPERATING

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# The price of fame by NIGEL ANDREWS

Fame (AA) Empire Jane Austen in Manhattan (A) Minema and Everyman, Hampstead Jean-Luc Godard Camdeo

Financial Anna .....

Fame isu't a musical but it ought to be. Singing and danc-ing talent pours from every pore of British director Alan parker's first film made in America, the story of six teengers going through their showhis paces in a 4-year student-ship, at New York's High But Parker at some point in the movie's genesis made the fatal decision to make it not the fully-fledged musical it would surely have triumphed as—a celluloid Chorus Line, in which the music shapes and stylises the flow of the story—but a pseudo-realistic slice of school life in which the music pops up

the school. If Bugsy Malone and Midwasn't realism. Both in their and a steamy Turkish prison sala-and they suggested that mercials had given him a quickfire, decorative, parametered new of life in which Truth comes in finite bursts, preferably with a punch-line or a

naturally, or tries to, from the

workshop/rehearsal context of

The success of Fame's best section, its rat-a-tat opening 30 minutes, is that it accepts main characters are introduced

Puerto Rican boy who wants to be a stand-up comic like his idol Freddie Prinze: there's a dark girl singer called Coco, a shy Jon Jast National Film Theatre white girl with a domineering Jewish mother, a gentle red-headed gay and a plump Italian-American boy whose passion is for synthesised keyboard music.

Their performing specialities aren't instantly laid on the line and one thing Fame effectively shows is that the HSPA—based on a real New York school. though not shot in it—is a school of the Performing Arts. multi-disciplinary hothouse where training in music and drama co-exists with routine classroom subjects like lan-guages and science. What Fame doesn't show, except by nowyou-see it-now-you-don't inference, is how that broad teaching base slowly yields to specialisation during the 4-year period: the process by which the students discover which talents to concentrate on and which to

Indeed, any sense of time night Express taught us any passing in Parker's film is thing, it was that Parker's forte notable by its absence. The girl's shyness, Leroy's aggressive sense of racial victimisation, the Puerto Rican boy's penchant for sage and they suggested that rulerto kican boy's penchant for Parker's long training in com- alternating ball-of-fire fun- say, the Henry James of modern mercials had given him a quick- making with set-piece crying cinema; in their porcelainjags-and not only do they fail to grow up visibly during the finesse, and in their obsession film but they often seem like with the mystic power and emotional retardees fixed in the acquisitive appeal of cultural Bugsy Malone. The shy girl's characters were seen scrimmagidolisation-from-afar of school's graduating best actor is Hullabalon over Georgie and and exploits that formula: a straight out of Teen Romance. kaleidoscopic sequence of pre- and throughout the movie. school auditions in which the though abortion and four-letter words are thrown in for adult in flashy bursts of idiosyncrasy. measure, Parker skirts the

naturalism never convinces.
The film's salvation would surely have lain in a bold embracing of musical stylisation. The two big ragamussin ensembles are triumphs of barnstorming Broadway vitalityprovised in the school lunchroom, the other the showstopping Graduation Day song, "I Sing the Body Electric" and the screen also leaps to life. in best dotty-Hollywood style, in a polyphonic 42nd Street up as the dancing, singing students engulf cars, taxis, passers-by. To boost the music might also have foregrounded the movie's two biggest, most scene-stealing assets: the lithe, whippy, erotic dancing of Gene Anthony Ray as Leroy, and the husky, beautifully forthright singing of Ireue Cara as Coco.

Jane Austen in Manhattan is and Ruth Prawer lvorv Jhabvala, They are, you might textured sense of fun and pubescent never-never land of artefacts. Last time round their the ing over Indian paintings in Bonnie's Pictures. In their latest opus an early play by Jane Austen is the cultural McGuffin. To whom should the mise-enscène of this priceless manuscript be entrusted? To Robert Powell, as an avant-garde New York dramaturge wanting to stage Jane in a white-walled cell with much mumming, madness and mannerism? Or to traditionalist Anne Baxter, with her Mozartian-operatic aspirations

> only a few - in my endorsement of the Ivory-Jhabvala magic ir Hullaboloo: a dest and swanning little film, a celluloid Aspern Papers. But Jane Austen in Manhatton is a confused huddle of ideas grouped around the fragile sliver of the Austen play, and the subplot relationships among the two theatrical factions - a young actress toing and froing between Jack marriage and a lesbian affair. the confrontations between world of off-Broadway experimentalism Jane Austen herself; and he doesn't magnetic

I was second to none - well,

most radical and quick-witted of the French New Wave direcrs. he cut a fearsome path into the future with films like Le Petit Soldat and Pierrot le Fou and continued to blaze his own trail long after he had left most of his flagging early admirers behind. For the mass of moviegoers he has disappeared out of sight in recent years, pursuing the spectre of truth 24 times a second " (his definition of cinema) into the Ultima Thule of film and video experimentalism.

His attempted "comeback" into the mainstream of feature film-making at Cannes this year -with his new movie Slow incomprehension. Camden Plaza on August 21. characters are caught in their a whimsical filmic ratatouille digestible Godard goodies, that

thriller set in futuristic Paris. Fierce, nervy, intelligent.

There's the black dancer Leroy, whose pulsing. loin-gyrating dance has the teacher-examiners gasping in the aisies: there's a Puerto Rican boy who wants to be a stand-up comic like his idol Freddie Private there's a caught-on-the-wing the stand-up comic like his idol freddie Private there's a caught-on-the-wing the black dancer Leroy, dread spectre of carnality itself what rare artistic scion might and prostitution starring Marina have been spawned by the conjunction of the two.

Despite the darting, vibrant camera style, Fame's affectation of a caught-on-the-wing production of the two.

Jean-Luc Godard, that Gallic spectrality itself what rare artistic scion might and prostitution starring Marina Vlady as a suburban housewife who moonlights as a tart. Stylistically, the second film—stylistical production of the two. tinted spectacles, made cine-shoots into Brecht, Marx, etc., matic history in the 1960s. The and its overtly TV-style techniques—is the gateway between Godard's early and late careers. Showing in a brand-new 35 mm

and Scope print, to boot.
Formight number two brings von Pierrot le Fou and A Bour de Souffle: Godard in gadabout mood, dealing with gangsters, old movies, revolution, you-name-it, and showing the kind of wit and eclectic sparkle that made him for ten years the world's most unpredictable movie-maker.

Nothing too predictable either about Jon Jost, an American independent director who looks like Walt Whitman and makes films like a sun-touched Godard. Motion—was greeted at the Sample them while you may at festival with vocal boredom and the National Film Theatre. Angel City is a lovely, hang-Londoners can judge the film for loose satire on private-eye themselves when it opens at the movies, set in a Los Angeles Meanwhile there's a four-week spiracy-theory politics and TV hors-d'eurre of older and more suap-opera cliché. It looks like contrasting ways, were hyper-little cocoons of mannerism and cooked up by that long-serving give an introduction to both shredder. Also to be relished is stylised films—a whimsical, sentimental identity—the white director-writer team. James the charms and the chores of Chameleon, a story of the bad, the charms and the chores of Chameleon, a story of the bad. The charms and the charms are charmed to the charmed to the charms are charmed to the cha Occupying the first fort: 12ht, stylistic devices—of colour, cut-from July 24 to August 6, is a ting, music—as a moral imposto double-bill of Alpharille and on the story of a reptilian Penx Ou Trois Choses que je wheeler-dealer snaking through sais d'elle: one an allusive Sci-Fi the thickets of California.



Peter Sellers, who died yes- licious flights of impressionistic terday at the age of 54, was the fancy. British cinema's most successful fect in different vehicles. But Sellers was a chameleon per-

He rose to fame in the 1950s in BBC Radio's Goon Show. where his powers of mimicry had free rein in the programme's dizzily surreal, anything-goes format. His versatility found a speedy niche in '50s British film comedy and he ended a star-building decade with what still today seems a good candidate for his best-ever performance. the little-Hitler shon steward in I'm All Right.

In the mid-'60s Sellers was ushered into international starmodernist Powell and old-world dom with two films for Stanley Barter - never connect with Kubrick, Lolita and Dr. Strangeeach other or with the playlet lore. His multi-hued trio of over which they are tussling, characters in the latter—RAF Ivory's own direction, with officer, U.S. President, mad Gerits vocue, etiolated grace, looks man scientist-won him awards as out of place in the heady- and gave him a comic eminence was offered later in his career never quite allowed him to help matters by casting Robert capitalise on. There were too many rickety vehicles that theatrical Messiah and lumber- Sellers tried to steer singleing him with a far-from-mag- handed to success — After the netic American accent. The film Fox The Bobo, The Magic Christian-and too few films gave, like Kubrick's duo, a firm Austen or Manhattan, let alone launching-base for Sellers's de-

But he ended his career on a comic of the post-war era. Star ated role as the seraphic garcharacter comedians are a rare dener in Being There. And there breed, most movie comics was always, at least since the having a single persona that French sleuth's triumphantly they devoutly cultivate and per- knockabout debut in 1963. Inspector Clouseau. The Pink Pan- stars, laser beams shot through ther spawned no less than four former. His success lay in a sequels and Sellers's superb flair for slipping from one mask ability to put spoken English to another, one voice to another, through a Gallic mincer-coising such vocal baroque as "I and publicity folk sold every-am an officer of the Lerr" and thing from draught beer to fire-"May ah use yer pheaune?"- spitting mini-Vogons, from illuaccounted for a good part, pro- iminated jewellery to batteryhably the greatest, of the series'; charged "Don't Panic" badges. success. He was working on the Onstage, director Ken Camp-script of yet another sequel, due bell and a large cast have set begin filming in January, at about animating the journey the time of his death. The British cinema loses a major star, and his friend Ford Prefect. the world perhaps the most with a spirit of affectionate vocally versatile comedian the mockery that seemed to go down

by MICHAEL COVENEY as a rock venue and it was noth- Campbell's shorter version at rivals that splendid wheeze. its vast auditorium packed on The evening works best

Nidolas D'Avirro (left), John Terence and Jude Alderson

The Hitch-Hiker's Guide

to the Galaxy

Wednesday night for the open-when it juxtaposes technologiing of a theatrical version of cal wizardry with a blatantly Douglas Adams's successful rough amateurism. The ICA's 1930s emporium was playing after an interval, to take in a host to a 1960s revivalist hippie the eve of apocalypse. long scene in a restaurant on The idea of a quest is basic to Campbell's theatre work and

can result—as for instance in

The Great Caper, Illuminatus

or The Warp-in an irresistible surrounding areas, a veritable combustion of music hall and Bartholomew Fair of hucksters sub-cultural phenomena. Synchronicity, coincidence, tall stories, adventure — these elements have, in the past, led me to believe that Campbell was rediscovering the roots of our theatre. The Rainbow cast, in truth, does not match up to the performing standards necessary through space of Arthur Dent for this kind of experiment. At the ICA, the audience floated through the galaxy on a scaf-

The Rainbow in Finsbury well with me, I am afraid, as expense of this revival, nothing Park is best known these days the improvisatory charm of in its presentation or effects as a rock venue and it was nothing short of astonishing to see the ICA last year has been lost. Having brushed with the ing short of astonishing to see in the process of inflation. Vogons, Arthur and Ford are ported to a ship that resembles a giant fruit machine. On board are the two-headed Zaphod and internationally exportable high note, with his Oscar-nomin- Radio 4 series. It was as if a 90 minutes has been extended. Beeblebrox: Marvin, the paranoid android; and the slinky Trillion, whom Arthur never quite got round to chatting up at an Islington party. Moving on, we encounter the computer Deep Thought and Ford's brief

of bringing the intergalactic

guide up to date is lost beneath

a fight for survival and the

search for the ultimate ques-

tion (to which the answer is 42).

Back at the ICA itself, the People Show have revived one No. 79, which I recommended last year as pure theatre on the grounds that it has no life or points of reference beyond the conditions of the medium in which it is played. There are folded auditorium mounted on some truly hypnotic sequences well with the aficionados. Less metal air skates. For all the and one or two very funny ones.



#### Siyndebourne

# La fedeltà premiata by DAVID MURRAY

ipployers' new theatre at Methaz in 1780. We may ne that opera-production that modest scale was a axed business, a matter of tty costumes to dress a thin certainly Muence of arias and ensemseems to presuppose nothmore. Here the Baroque recompation with people falling in and out of love is making. There are no thrones Grasties at stake, nor even mild loyalties; the daisy-mild loyalties; the daisy-mild of changing partners is feetly, insignificant, speci-trautened by a single plot-the premise that it is rifice Day in the mythical ele and the bapless offerings be faithful lovers. Every-wants therefore to conceal dity at all costs. We expect a firmer dramatic minuity than Haydn's patrons

bably did, and the producer the option of embroidering the fual. The result is genially ming and not I think. to compromised by Cox's Wither device of showing us only the opera but its smal audience, watching menly from the wings and ration in the wings of the property of the progress is quite ininsequent anyway; the arias-feeling which are the main main burden are not guyed though where they grow us and prompt Haydn to best music, a less jokey were might have encourted the singers to search it

sign of that constraint may are been their evident prefer-ace, here and there, for tempi er than Simon Rattle inended to set. Not that his obducting of the London Philisympoor monic was sluggish in the east: the score fizzed in all the roper places, and preserved ongh balanced poise to admit expression when the Penney,

Haydn wrote La fedelta pre-singers would risk it. Act One one conventional sentiment or another, and James Atherion and Kate Flowers made characters out of their puppets by sheer bright verve. As the Haydn's visiting siren who initiates the game of partner-changing, Linda Zoghby displayed an engaging operatic range beyond her sweetly passive Mimi of two seasons ago. If both she and the very musical Evelyn Petros were rhythmically slack in their slower music, be amends in Act Two. both

Haydn offers music of real invention and depth. with arias Mozart's. If only the action had had a da Ponte! There is not one sustained intrigue in La characteristic to do. sedelia premiata, and so the shifts of feeling and resolve ing turns upon them. Max-René

There, with all the characters the role of a lecherous priest of in sourer pickles than before, Diana, vetting candidates for the sacrifice against candidates for seduction), put their coldeveloped strongly enough to leagues' clouded vowels to bear abstract comparison with shame. John Rawnsley's boisterous scapegrace suffers most supported them: if only Haydn from the dim libretto, which gives him nothing pungently mind: Mr. Cox has shaped all this patchy material into a that Haydn maps so delicately delightful Glyndebourne even-bear no dramatic weight: nothing, bejewelled with bits of the ing, bejewelled with bits of the might-have-been Haydn, Cosotti almost persuaded us that Haydn who might have had a something did—and his Italian, real dramatist and a real and Ferruccio Furianetto's (in audience.

Covent Garden

#### Manon by CLEMENT CRISP

Manon returned to the Opera House repertory on Wednesday night, and though one might carp at rackety scene changes and orchestral playing less than heguiling in its way with Massenet's honeyed tunes, the ballet itself was in best form. Intriguing how, in the first scene, the entire later action seems encansulated At cortain seems encapsulated. At curtain rise the predator Lescaut-a hypnotic performance by David wall, darker and more malign in quality than ever before— surveys the corrupt wold of the

With devilish glee he shows his mistress a couple of poor whores on their way to depor-tation; as soon as Manon ar-rives, her innocent beauty becomes a marketable commodity; the no less innocent des Grieux falls victim to her, and implicitly, to the moral degeneracy of the society into which she drags him. And from this skilfully prepared ground springs the whole tragedy. It is exemplary dramatic plotting.

No less exemplary the company performance, and especially the central trio of Jennifer Penney, Wayne Eagling, and Wall. I have never found irresistible allure. And as the Penney more radiantly lovely, poor wreck of the last act, she or more persuasive an advo- was no more than a ghost, and cate for Manon's character. In the first act there is something kittenish in her desire to please, and an adorable sweetness in her eagerness for worldly triumph. With Eagling as an ardent des Grieux, the bedroom duet spoke thrillingly of the first radiant flush of physical

The gradual tainting of Manon's character, the delighted quest for wealth - poverty the only sin she recognises— and the capricious acceptance of des Grieux yet again (charac-teristically, Manon is trying to have her cake and eat it) were In all, shown by Penney in dancing of ballet.

Eagling makes des Grieux heroic by his sheer fidelity. If

there are danced moments less technically amazing, less luscious in dynamic outline, than he has shown us in the past, the character is stronger, in conveying the obsessive nature of his passion for Manon. From David Wall the vivid combination of calculated charm, and single-minded opportunism—and dancing of hair raising skill in the drunken duet with the no less daring Monica Mason as his mistress. In all, a fine account of a fine

Arts Minister suspends export licence

Minister for the Arts, has dom the opportunity to pur-accepted the recommendations chase them. of the reviewing committee on the Export of Works of Art that a licence to export a pair of flintlock presentation pistols. circa 1775. should be withheld for three months to give public Committee.

Mr. Norman St. John-Stevas, collections in the United King-

The committee considered that the items were of national importance under the criteria laid down by the Waverley



trip through the galaxy. The

huge ceiling was aglow with

space presaging the end of the

Universe and, in the theatre's



For a young film-maker with bags of talent but little experience it's hard to get financial backing. In fact, it's practically impossible. Without experience, he won't get the chance to direct. If no-one will give him that one chance, he'll never get experience.

It's a very real problem for Britain's voung talent. And for the future of Britain's film industry. One of our most promising young writer/

directors recently came to the BFI Production Board with just this problem. He had written a fine script for a full length feature film and felt only he was close enough to the project to direct.

We thought long and hard before committing a large part of our budget to a director who was very much an unknown quantity. He convinced us that,

given the chance, he would prove himself.

The film opened in London to great critical acclaim, was chosen for exhibition at Cannes, and has already recouped much of its production costs - money which is being used to help other young film-makers. It is now going on to wider distribution in Europe and the U.S.

Of course, on a yearly budget of £500,000 we can't do as much as we'd like. But we do make around a dozen films a year, which goes a long way towards ensuring that Britain will have a film industry

The Production Board is just one facet of the British Film Institute's work of preserving and invigorating Britain's film culture. The Institute is also bringing serious cinema to a wider audience through the National Film Theatre and Distribution Division; providing educational services to colleges and schools and maintaining a vast repository of films and film history in the National Film Archive.

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Friday July 25 1980

# The impact of energy costs

consistent and in our view than it was three years ago, for import controls—this time ties among waste-using mills from the paper and board indus- could threaten the viability of that the industry's problems dustry. should be ignored. The threatened closure of Bowater's large newsprint mill at Ellesmere Port is not something that can be sbrugged off as an unfortunate consequence of the Government's anti-inflationary policies. Large parts of the paper industry are peruliarly vulnerable to the high value of sterling in relation to the dollar. While there is no doubt scope for improving efficiency. there are severe limits on the industry's ability to adjust to the change in exchange rates by switching to products of higher added value.

#### Adjustment

British paper and board makers have already corried through a very considerable adjustment over the past 15 years. After a long period of protection, they were forced by the EFTA agreement to come to terms with increasing Scandinavian imports in a number of bulk grades which the UK. with its lack of forest resources. could not hope to produce economically. A good many mills were closed down, others were converted to produce grades which could be based on waste paper rather than imported pulp. There was investment in special-purpose grades which were less exposed to import competition, as well as renewed interest in making maximum use of home-grown wood to support indigenous pulp production.

These changes were made with very little government intervention or assistance. Until recently it seemed reasonable to hope that a substantial paper industry, albeit smaller than it used to be and with a graduatte declining share of domestic consumption, could remain viable in the UK.

The change in the pound/ dollar relationship, however. has had a disastrous effect on those grades which compete directly against imported North American products. This is particularly true of newsprint and test liner, the waste-based alternative to imported kraft liner which is used in the manu-The price of newsprint in ster- interest in the matter.

Government's ling terms is actually lower entirely correct dislike of while increasing kraft liner improtectionism, Ministers are ports from the U.S. have already respond sym- caused closures among test Pathetically to the latest plea liner producers; further casual-But it does not follow the waste paper collecting in-

> The Government has no intention of trying to force sterling down, even if it were feasible to do so. Subsidies to help the papermakers cope with their present problems are equally implausible, since they would be wholly inconsistent with the Government's economic principles and would invite similar demands from other hard-pressed industries. It is worth pointing out, though, that the world paper industry, especially the newsprint part of it, is riddled with subsidies of one kind or another. This applies to major producing areas like Canada and Scandinavia, and to countries like France where the Government supports domestic newsprint producers by a combination of import controls and financial assistance. The fact that these practices are rife is not an argument for the UK doing likewise, but they represent a distortion of trading patterns which has certainly contributed to the present plight of the British paper industry.

#### Resources

The industry, of course, is looking for more than sympathy and understanding; it wants some action. The strongest part of its case to the Government relates to energy costs and it is entitled to a coherent response on this issue. There is no good reason why tariff structures in the UK should have the effect of penalising energy-intensive industrial processes of which paper-making is one example. Energy costs for a British paper mill are high not merely in comparison with North America, but with countries like Germany and France whose energy resources are much poorer than those of the UK. A mill like Ellesmere Port which is based on homeproduced pulp can probably cope with the fact that its wood costs are relatively high, but the additional burden of energy prices undermines its ability to compete. Since the source of the problem lies in the pricing policies of the nationalised industries, the Government can bardly decline to take an

# A challenge for Poland

MAJOR difference distinguishes the current round of labour unrest in Poland from otherwise similar outbreaks in 1970 and 1976. Both the earlier outhreaks of labour resentment against low living standards and higher meat prices erupted into spontaneous violence to which the Government reacted with a major show of armed force. This led to several hundred deaths in the Baltic port cities and the overthrow of party sec-retary Wladyslaw Gomulka in 1970 and mass arrests in 1976.

Both sides have clearly learnt their lesson from these bitter experiences and this time round the actions of workers and the party alike have been characierised by restraint and non-violent protest. The Government has not been forced into a humiliating retreat and has stood firm on its decision to raise the price of meat. The workers have couched their demands in reasonable terms.

#### Higher wages

The situation remains fluid. Strikes are still breaking out in many parts of the country and local management has been empowered to negotiate higher pay awards. Logically the strikes can only be expected to finish once all Polish workers have been equally compensated for the higher prices.

The end of the strikes will not, however, signify the end of the problems facing the Polish regime. On the contrary higher wages coupled with mainly cosmetic promises of higher productivity will add to inflationary pressures. Such pressure will make it even more difficult for the Government to honour its commitments to foreign bankers who have been promised the restoration of equilibrium in the balance of payments by

This faces the regime with a major challenge. If Poland were not a one-party Communist regime a solution might lie in a sav in the economic decisiona change of covernment and the injection of new blood and new

The one-party system does not allow of such luxuries however -and neither does the Soviet Union next door. This means that the Polish regime itself must find a way to tap the pat- so nervous about change both riotism and national pride of at home and among its Polish society at large.

Poland is endowed with considerable natural resources. principally coal, copper and over the last decade has also endowed it with new and highly productive shipyards, new mines, harbours, steel mills and engineering plant. It also has an increasingly better educated labour force and an impressive and highly respected intelligentsia. In spite of all these assets the present Polish regime after a bold start, has not been

able to put them to good use. In order to do so in future it has to convince the majority of Poles, who are not Communists, that the regime now recognises that they will have a major role to play in future. The fact that the Polithuro, the highest political organ has tacitly acknowledged the right of workers to organise themselves outside the official, party dominated, trade unions is in itself a significant pointer.

In the light of Poland's international situation, as a neigh-bour of the Soviet Union and member of both Comecon and the Warsaw Pact, the Communist Party will necessarily have to remain as the official "guiding light" of Poland.

#### Greater honesty

In practice however the way forward for Poland lies in recognition by the Polish leadership and the Soviet Union itself that the party can only rule by the consent.

This means de facto recognition that Poland is already a pluralistic society in many ways, thanks to the power of the Catholic Church, the independent pegsantry and an intelligentsia which has kept alive the flame of Poland's traditional culture. What all these independent groups are demanding in exchange for their co-operation is greater honesty about the past, a less sycophantic attitude towards the Soviet Union and

making process. Arriving at such a compromise however will fully test the capacity of the Communist system to adapt and change. It could also stretch the patience of the Soviet Union-which has proved in the past to be neighbours.

# How to handle the **OPEC** surpluses this time round

BY NICHOLAS COLCHESTER

congress of bankers which they occasion, will be dominated by the themes of recession and international lending.

The assembled ministers of the industrial countries will worry about the former. The latter will be the talk of everybody else, because recycling world payment surpluses to finance deficits is now the main pre-occupation of bankers, the World Bank and the IMF.

Large surpluses will be there to be moved. The underlying premise is that the real price of oil will hold up in the early 1980s and that the Organisation of Oil Exporting Countries (OPEC) members will not be able to spend their revenues in the way they managed to spend them after the first oil shock. Their net external assets-the amount of money they have on deposit with or on loan to foreigners-will therefore have to rise to \$4005n by the end of 1982 compared with \$200hn at the end of 1978. Some \$100bn of that increased total will accumulate in the current year and will have to find a home somewhere.

The premise could prove lend.

false: it did last time. But this International bankers will prospect, firmly established in have more reason than ever to most economists' minds, has this confer in Washington. year provoked a remarkable parade of novel schemes designed to achieve the recycling of necessary money.

Brandt Commission report, a Development Agency and for global taxation of the arms trade. This flagship has headed They range from alternatives to highly indebted countries.

currency OPEC-OECD treaty bartering a It is true that bank loans drama, it is a fair bet that stable oil price for investments extended to non-OPEC developthe annual meetings in of guaranteed value, to schemes ing countries in the first half of late September of the Inter- designed to bolster the internanational Monetary Fund (IMF) tional banking system by means and the World Bank, and the of official guarantees and safety tional banking system by means commodity-linked

> All of these schemes seek answers to the key conundrum: how can Western countries, with more wealth than surplus cash, get together with OPEC countries, having more surplus cash than wealth, and channel funds to countries having neither.

Debate of this question in Washington in September is made more likely by the fact that both the IMF and the World Bank are responding to pressures to change their ways providing finance to the

> Some \$100bn will have to find a home this year

Third World. There is a good chance that the IMF will use the forum of the annual meeting to present new methods of funding itself and new terms on which it will be willing to

position of the international hanks is popularly supposed to he a key ingredient in the looming problem of Third Noney. World finance. They bore the
At the head has been the brunt of the first wave of
Grandt Commission report, a recycling in the 1970s. Now programme for survival " with there is general concern that proposals for a new World they are approaching regulatory limits both to the amount of lending they can support with their existing capital and to

the ill-fated substitution So far, the evidence that this account of the IMP, through an is happening is only tenuous. So far, the evidence that this

#### a flotilla of ingenious ideas, their exposure to particular,

#### WORLD PAYMENTS BALANCES ON **CURRENT ACCOUNT\***

	(\$bn)					
	1975	1976	1977	1978	1979	1980
INDUSTRIAL COUNTRIES	16	-2	5	37	-11	51 <del>1</del>
DEVELOPING COUNTRIES Oil exporting countries	35	4n	37	5	68	115
Non-oil developing countries					55	
SUBTOTAL, FUND MEMBERS AND OTHER	5	6	-1	_	. 3	-4
NON FUND MEMBERS	-9	-8	-4	-7	· 5	<b>–7</b>
Centrally planned economies	-11	-9	-6	· -8	-7	<b>—10</b>
TOTAL	-4	-2	-5	-7	-2	-10
Less timing asymmetry on trad-	e 1	5	2	3	10	6
Residual asymmetry	-5	<b>-7</b>	<b>-7</b>	<b>—10</b>	-12	-16
* Goods, services and private	transfers	<b>5.</b>				

Source: IMF. World Economic Outlook 1980

this year totalled only \$11.7bn compared with \$22bn in the second half of 1979. But much of this first half was characterised by.. a stand-off between borrowers and banks as they digested what turned out to be the non-impact on the banking system of developments in Iran-the taking of hostages and the freezing of Iranian assets—and the invasion of Afghanistan. This immobility was reinforced by the rise of U.S. interest rates to a peak of

at a margin of 1 per cent. more closely involved Maturities of ten years are still national bank lending.

banks can justify participation in credits on such terms. Dr. Wilfried Guth, the head of the Deutsche Bank, asserted recently that "applying all defensible cost saving calculations" a bank's minimum avershould range margin

between { and 1} per cent.
On the other hand, the summer also seems to have established a consensus among banks that certain heavily indebted borrowers in the developing world must now be charged more for loans. The classic example is the recent international loan to Brazil's electrical utility Eletrobras where a margin of 13 per cent for eight years was enough to make the loan a very popular one. At the start of the year Brazil was borrowing at a margin of just below 1 per cent.

Such a modest increase in Brazil's fees pales into insignifirates on which all these loans are based. At the same time the fact that a small rise in the annual margin will reconcile the banks with Brazil or Poland does not suggest that, as a group, the banks are running into regulatory limits. The margins would be immaterial if they were.

evidence from Morgan Guaranty

loans at all.

more than 20 per cent. During the summer a clearer picture has emerged. First, the competition to make loans to borrowers with any sort of claim to creditworthiness remains in-tense. The "spreads"—the margins over interbank rateat which such loans are being extended are once again as low as they have ever been. Loans guaranteed by some European countries—France and now perhaps, Ireland too-are possible

negotiable. It is very difficult to see how

there is the "crowding out" of the table shows how the finance this year, is taking a steadily mounting share of new bank loans. There is a bunching bank loans in the early 1980s, to which the World Bank has drawn attention. More



international banks. According to The Banker the ratio of capital to assets of the world's 100 largest banks dropped last year from 3.85 per cent to 3.50 per cent. The crux of the problem for

these banks is that, as the Bank for International Settlements put it. " from the point of view of sound banking principles. financing a persistent balance of payments deficit is a different proposition from financing a temporary one." One solution been which has suggested is that official sources of finance, like the IMF and World Bank, should become more closely involved in inter-

Three possibilities are cited - that banks should be offered guarantees on certain loans by. say, the IMF, that certain bank loans should be indissolubly linked with official finance through so-called "mandatory cross default clauses," and that bankers should be granted fuller access to the information which borrowing countries reveal to official institutions.

None of these seem probable. at present The World Bank is-

#### A stand-off between borrowers and banks

unwilling to offer guarantees because they count as loans in the assessment of its lending cance beside the recent 10 per limits. The IMF is very unwillcent fall in the dollar interbank ing to share its insights into developing economies with commercial banks because it knows that the governments would not stand for it. As for linked loans, the

World Bank is already doing a bit of this: \$1bn of the gross new lending of \$11bn extended by the World Bank in the last But there is a chain of other more discomforting signs. First there is a chain of other packages of commercial bank finance. These packages involve cross default clauses: if the borrower defaults on the banks developed world, which has its the World Bank has a right to substantial deficits to call for repayment of its own loans. But commercial bankers talk wistfully of mandatory cross default where the World ing of the Third World's matur- Bank would have to call for repayment. World Bank officials say they do not like the idea. They feel that optional cross immediately, there is striking default is a sufficient discipline. In the near term the best

national banks of more than \$60bn. Moreover in recent years replayments have matched disbursements so that since the beginning of 1978 there has been virtually no net IMF lend-

ing to the non-oil LDC's at all. The main problem is the economic policy conditions which the Fund attaches to much of its lending. But it is also possible that, as one cen-tral banker puts it, "there just: is not enough in the Fund's shopwindow."

The Fund has already made it abundantly clear that it is going to change things. It will lend larger amounts, will lend them for longer than the three-five years which is now typical, and it will be more flexible and understanding in the economic conditions it imposes. The Fund is already looking for the necessary financial backing from industrial and oil exporting countries. For the moment it is eschewing private finance -IMF bond issues for instance but it does not rule these out.

The World Bank will be taking more modest steps towards a greater contribution. Mr. Munir Benjenk, vice-president, stresses new lending for energy projects and the World Bank's new foray into-"structural adjustment lending" as two examples of its efforts to boost lending. The latter involves balance-of-payment loans with conditions attached. It is thus new and rather tricky departure for the World Bank. which hopes to lend an extra \$600m-\$800m in this way over the coming year.

The World Bank is also waiting for an increase in its

capital and is thinking about doubling its gearing ratio (st. present it cannot lend more than its authorised capital plus reserves). But since the latter is now standing at \$41bm compared with the \$2500 which the bank has out on lean, it does not seem to be under much constraint in the short run. It is only a little cymical to observe that the world's finan-

#### 'There just is not enough in the Fund's shop windew?

cial system lives from day to day and that only some form of financial crunch will bring the grander recycling schemes down from the realms of con-

If the large surpluses and deficits are sustained and accountiate in the way presently predicted it is difficult to see how the present arrangement too little aid. too little official finance too little securities finance and a daunting reliance upon bank finance can hold up. But there are grounds for hope that the flows can be madged gently înto different changels.

Western recession will probably stimulate Government guaranteed export finance. Bank competition and bank regulation will gratically erode the terms which banks are inclined to offer for OPEC deposits.

OPEC countries will be prompted to develor further direct investment in, and direct loans to the Third World. Threats of default will see to it that the unused resources of a more flexible World Bank and IMF are brought into play. It could well be this sort of evolutionary change which will provide most of the answers to the big conundrum.

#### MAIN CHARACTERISTICS OF THE MEDIUM-TERM EURO-CREDIT MARKETS

			979		1980		
	Q1	Q2	Q3	Q4	Q1	Q2	
New loans (Sbn at annual rates)	4 4 4	· . <u>-</u> , -	107.7	82.0	61.8	57.1	
Longest maturity* (years)	18	15	15	15	151	12	
Average maturity <sup>8</sup> (years/months)	8/6	9/3	7/9	9/3	8/11	7/8	
Lowest spread* (per cent per annum) Average spread†	į	•	•	<del>1  </del>	1-1		
(% per annum)	0.87	0.76	0.73	0.64	0.67	0.64	
OECD borrowing as		- ':		Ä.			
	27 over	37	36	42	45	51	

Weighted means of spreads applied to loans of \$50m and over with a maturity of over three years completed or signed during

line layers.

#### Trawling for the richest catch

Naturally independent and long preoccupied with the dangers from Common Market Market rubbish left behind by the pipepoachers," the Scottish fishermen can be forgiven for taking so long to take a direct interest in the oil reserves swilling about beneath their thinning soals of fish. Still, yesterday's launch of the Fishermen's Petroleum Company came as no surprise to my spy on the quayside, who describes chairman David Reid as " one of the best businessmen

who ever donned oilskins." Reid himself seems a modest enough fellow. "I am an Orkney fisherman with other interests," he tells me guardedly. Pressed, however, he also claims to have made three fortunes in the North Seawas ever dreamed of.

spending two—before the oil Living in some splendour in Orkney, Reid is the entrepre-neurial force behind the new company which has joined an oil exploration consortium led by Kerr-McGee into the Moray Firth. He went into the project with a 1 per cent share in his own right before his Board-all well-known in the fishing business-tagged along.

Chairman of the Orkney



"Presumably what she has in mind is emigration"

trades in trawlers, he also farms, fishes and owes his early contacts with the roughnecks to the time he worked the Beatrice Field clearing up the seabed

We took a close look at some of the oil companies and decided they were not so bad after all." says, "Then we asked them how we could get involved." Not surprisingly, considering that the Government is likely to pay special attention to licence applications from the aggrieved and depressed fishing industry, Kerr-McGee was only too pleased to advise.

#### Nagging clock

My man at the bedside tells me that the waking hours of Thorn-EMI's chief executive Peter Laister have been considerably enlivened by a device from Sharp, the Japanese corporation with which Laister's own company will be co-operating in future. This is an alarm clock which employ's Sharp's voicesynthesis expertise in its efforts to rouse the reluctant riser. At getting-up time. the machine plays an elegant minuet and a mannikin voice pipes: seven o'clock!" " It's

Five minutes later, if it has received no response, the machine returns more forcefully with a vexed: "Please hurry up, it's five past seven."

Dozers are allowed a further five minutes before the clock throws politeness to the wind. and with ratty finality orders " Hurry up!"

#### Mullahd wine

There is a tonic for the troops in Tehran's diplomatic community-this time with the gin back in full measure. The back in full measure. alcohol is trickling back into parched ambassadorial throats after a neat deal to square the Islamic revolutionaries who refused to allow supplies of alcohol through the ports.

to brewing his own beer with cover his silver losses. Early a Boots kit in the spare bathroom; enforced pecking order meant wine only for the most important guests.

The increasing international isolation of Iron eventually tipped the balance. With thousands of Iranians awaiting visas to visit Europe, it was a simple matter to ensure that a handful of influential customs officers did not find themselves unduly low on the lists.

#### On the waterfront

Among the prized pictures, engravings and rare clocks adorning its offices, merchant banker Robert Fleming is currently showing off a rare new treasure. It is the Kitcat Cardiac Cup, a trophy snatched from stockbroker Kitcat and Aitken on the Thames tideway the other evening. The cup (in fact a shield) was presented to Fleming oarsmen

who showed the strength of their reserves by beating Kitcat by two lengths over a mile race between Putney Reach and the bar of the Thames Rowing Club. Kitcat's defeated skipper. Alan Kelsey, who stiffened his crew of five in-house men with outsiders including ringer" and former Olympic trialist Fred Rossiter from E. F. Hutton, approached the start with some trepidation. "Most of us were golden oldies who haven't rowed for years," he tells me. "We even called our boat Cardiac Arrest.

#### Back in the hunt How heartening to see that

commodities connoisseur Nelson Bunker Hunt is back in business. Still nursing scorched fingers from his recent blitz on the world silver market, be broke cover in Lexington. Kentucky to visit a sale of yearling racehorses from his Bluegrass Farm. The 53 lots raised more than £4m in small change - which should help a little towards paying off the

One ambassador was reduced £500m loan raised to help him last month, Hunt followers will remember, he mortgaged his entire string of 533 thoroughbreds along with other prized possessions.

Not that his business sense has been much damaged by his recent setbacks. At the start of the sale Hunt took the auctioneer's microphone to say he would happily buy back 25 per cent of each horse provided it raced in Europe or North America. And his sense of humour also seems intact. After the seventh lot he nudged the man with the hammer aside and jockeyed the bidders along with the announcement that all the lots were offered guaranteed tree of mortgage.

#### Short good buy

The initial excitement of dawn raids, notes one of my colleagues with masterful understatement. "has worn off." With the practice becoming as familiar a feature of the Stock Exchange morning as the first cup of coffee, some of the sharper dealers have taken to napping the victims in advance, rather than simply hoping to get in quickly when a raid begins.

The all-seeing writers of the market tapes have devised their own catch-phrases to describe the phenomenon. Yesterday, for instance, both British Sugar and Turner and Newall were described as "dawn raid candidates," as their shares began to bubble. Sirdar's 7p share price drop was attributed to "frus-trated dawn raid hopes." The market has even put its own price on the expected Turner and Newall raid—150p. The year's low is 90p, but by late yesterday rumour had driven the share price up 12p to 129p.

Were stockbrokers scrupulous people, they might even start unfounded dawn raid rumours to off-load hold-

Observer

# lt's a fact

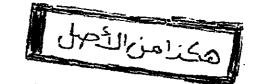
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# Britain's big parties run out of money

in being in mancial difficul-tion the Tories are also in minimum about 55m a year to

the Conservative Party at the central (as opposed to the constituency) level. The party had a deficit in the year ended march 31, 1978 of £1.37m. It overspent heavily on the General Election and by now must be quite seriously worried about how the missing millions are going to be financed: hence, for example the recent cut-backs at the party's Central

Indeed the only major party which has recently been in sur-plus is the Liberals, and even that may be changed when the next accounts appear.

All of which ought to suggest that the question of state aid to parties is back on the political agenda. It is, but only up to Liberal Parties are in favour of such aid, as they have been for some years. The Tories are, as ever, adamantly against. Since the Tories are in office, it is cult to persuade someone who, change in the system before a might have been paying two general election. Still, it is shillings and sixpence for an worth rehearsing the argu annual party subscription that ments, they could even appeal he or she should now be payto some Conservatives.

Libert Par

andpite.

Committee, a body which was set up by the Labour Govern-ment in 1975 to consider whether provision should be made from public funds to assist political parties in carrying out their functions outside Parlia- Conservatives decline to give a Committee came down in favour tions received from business £1 a year to the Labour Party, of public funding; however, a and those from individuals on perhaps depending on who agnificant minority was against. the grounds that it would not publication of the report was be "cost-effective" to bother Publication of the report was be

Yet the report was prescient in a number of ways. It said, business. In spite of that, they for instance, that the political have gone deeper into the red. add up. It might even be an is that the party's efficiency and term planning and the manage- at which the deposit was forfeit. If the decision is not reversed,

parties traditional ways of funding themselves were in funding themselves were in the danger of being eroded by there is a problem. The report inflation: It warned that while of the party's Commission of the two big parties might still Enquiry, published last week, bave little difficulty in raising funds when it came to a general has effectively no reserves. a thoroughly inadequate income the two old partitle difficulty in raising funds when it came to a general election, there was a growing problem of financial provision for the years between elections. Without state aid, it suggested, the only way that the Conservative expenditure in 1979 grossly financed would be by drawing more heavily on business and industry. As for the Labour Party, it would have to rely prising, admissions. No-one prising, admissions. No-one prising, admissions. more than ever on the trade

All these prophecies have come to pass. It is very diffi-

If the Tory Treasurer fails to raise the money, he will be fired

anlikely that there will be any not all that many years ago, ing several pounds just to keep The best point of reference is up with inflation. The money the report of the Houghton continues to come in. so far as

ing even more than before on year without being registered their big brothers. The trade as card-carrying members. unions have recently bailed out the Labour Party yet again. The seems worth developing. There The majority of the breakdown between contribunot exactly a landmark in with such details. But it certainly looks as if they have become more dependent on

says the report, has overall control or even oversight of party finance; nor does it seem that anyone had ever since anyone can remember. Nearly 90 per cent of the party's income at national level—£1.5m out of a total of £1.68m in 1978-comes from trade union affiliation fees. In other words, the Labour Party is being run at less than half the cost of the Tory Party, a fact which might not be entirely unrelated to the last election result.

Yet the Commission of Enquiry has come up with some interesting suggestions. recommends that the annual individual subscription should be raised to £5 in 1981, but proposes special rates for household membership and for the non-employed. It also suggests it does, largely at election times. a special category of supporters The two big parties are rely- who might like to pay say II a

> That last idea in particular who would be prepared to pay leads it, and maybe El cach to the Tory and Liberal parties as well. It would be a small price to pay for preserving the political system as we have known it, and the pounds would soon

more open about admitting that aid. But that is by the way, there is a problem. The report The Commission of Enquiry did the Labour Party in its evidence to the Houghton Committee. But it admits that in the financing provided by the trade

> Conservative Party's approach to the problem is quite different. It is opposed to State aid as a matter of high principle. Lord Thorneycroft. the Party Chairman, has gone far as to say that if the Labour Party returns to office and introduces state aid, the Conservatives will refuse to accept it, though to which charity the money would then be donated is not stated. The Conservative Party does accept state aid-to the tune of £165,000 a year-while in oppo-

Mr. Alistair McAlpine, the party treasurer, accepts this position enthusiastically. He says tradition of appealing to the individual. It is up to the treasurer to raise the money. If he fails, he will be fired and rightly so, again in the best Tory tradition.

There is another rather more businesslike explanation given by Lord Thorneveroft. It is that it is the aim of the party to reduce taxation, not to raise it. The party must be seen to set an example. If it cannot find the money by voluntary means, it must cut back on its activities and become more cost-effective. That is what is happening at Central Office at the moment,

The trouble with these explanations is that they beg several questions. They are acceptable provided that the money is found, but what happens if it is not? The answer

term strategy are impaired. At present, the Conservative present, the Conservative Central Office is actually cutting back on its community affairs department. This is the very department which was designed short term there is no alterna- to give the party a broader hase tive to a radical increase in the in the country: for example, among trade unionists, immi-grants and the young. In the long run it cannot be helpful for the Conservatives that this activity should be reduced.

> Besides, there is a peculiarly British fallacy in the arguments against State aid. It is assumed that it would be somehow corrupting because the parties have got by without it in the The evidence of other equally democratic countries. which have introduced State aid, is to the contrary. If one enters the Christian Democrat headquarters in Bonn, for instance, there is an air of some efficiency and an impression of serious research being under-

The Government is preparing to increase the deposit made by election candidates

taken. The Tory Central Office in Smith Square, by contrast, is beginning to seem like a bunker. The Labour Porty headquarters has already retreated south of

Not least, there is an assumptinn that if the parties accept State aid, voluntary contributions will cease. The examples abroad again show that that is not the case. What happens is that State aid provides a certain guaranteed income which allows

Some new work on the subject is now being done by a committee chaired by Mr. committee chaired by Mr. Edmund Dell, the former Labour Minister, under the auspices of the Hansard Society. It is not due to report until the new year, but it could well be that by then the financial position of the parties will be sufficiently grave to command

more attention.

The party which stands to lose most from maintenance of the status quo is the Liberals, since they have neither the trade unions nor business and industry to fall back on. As it happens, the party is also threatened financially on another front. The Government preparing to increase the by any candidate in a Parliamentary election.

The present deposit is £150 and was introduced in 1918 to deter frivolous candidates. It is forfeit if the candidate gains less than one-eighth of the voles cast. The sum has not changed since.

On the face of it, there is should be increased now, if the deposit system is to be kent Parliamentary candidates after all, enjoy substantial pri vileges, such as free nostage and access to the media, during election periods.

It is clear, however, that the party likely to be hardest hit any change would be the Liberals. They lost 294, or just over half, of their total deposits at the last general election. which was already a substantial

The Government is understood to be considering a new figure somewhere between £600 and £1,250. It is probable that this would be accompanied by some reduction in the threshold

UK: Sir Keith Joseph, Industry

Secretary, opens Doncaster's

Minister, speaks at Rugeley.

Minister, speaks at Lytham.

GENERAL

tingham.

mouth.

Worksop.

CANDIDATES' LOST DEPOSITS

The Representation of the People Act 1918 provided that any Parliamentary candidate would have to deposit, on nomination, £150 in cash with the returning officer. This money would be forfeit to the state unless the candidate received one-eighth of the valid votes cast. The number of deposits lost in general elections has been as follows:

	_				A-1	Tatal	dates
	Сол.	Lab.	Lib.	Comm.			
918	3	6	44	_	108	167	7.9
722	ī	7	31	1	12	52	3.6
923	_	17	8	_	2	27	1.9
924	3	28	30	1	8	84	4.7
92 <b>9</b>	78	35	25	27	14	113	6.5
931		21		21	37	85	5.6
735	7	16	40	_	24	81	6.0 -
945	5	. 2	76	12	87	182	70.8
750	5	0	319	97	40	461	<b>24.6</b> .
951		1	66	10	16	96	7.0
955	3	1		15	21	100	7.1
959	2	1	53	17	41	176	7.6
764	5	8	52	36	85	186	70.6
766 '	9	3	104	57	64	237	13.9
770	10	6	184	58	750	408	22.2 .
74 Feb.	8	25	23	43	222	321	15.0
774 Oct.	28	13	125	29	247	442	19.6
779	3	22	284	38	636	983	38.1
ll General							
Elections	105 .	212	T,532	456	1,814	4,179	13.5 ·
-elections							
1918-79	15	14	93	34	314	470	19.4
ost deposits							
1918-79	120	226	1.625	490	2.128	4.589	14.0

Source: British Political Facts, David Butler and Anne Stoman, Macmilla

-say to 10 per cent. It is very they will be considerably higher unlikely that it would go as low paid in future. That could have as 5 per cent, II one assumes that the deposit is set at £1,000 or even £750, it is plain that the Liberals stand to lose a very great deal. The change would affect the Tory and Labour. Parties scarcely at all. That. too, is a subject about which we are bound to hear more.

As a footnote, one should add that a fundamental change affecting finance and politics may have taken place this week professional. when MPs voted to tie their salaries to a Civil Service grade,

an effect on the intake. Mrs. Thatcher is wrong to say that there is no shortage of candidates as illustrated by the 200 or so who sought the Tory nomination at the Southend byelection. Her remark says nothing about the quality. Civil change all that, as well as leading to a demand for party organisations, which are more

Malcolm Rutherford

#### Letters to the Editor

#### Facts of

British politics.

From the Managing Director. Hydrocut

Sir-It is all very well tenion leaders being very angry" — reference to the article by John Lloyd on July

company; it has made a loss in the last year. I cannot, theretore, have a rise in salary PACTERISTICS Company or run my company more

EURO-CREDIT Mediciently. to be ignored by union leaders. It is they who have fuelled the tinemployment figures by their tresponsible actions of the It is he and his kind, intent on encouraging high wage deovermanning in state and public sectors, who have brought about the "con-.. in which we find

> Union leaders, instead of trying to gloss over their errors ு அளிக்க past should admit them and, encourage the utmost moderation in wage negotiation not "demand"). In this way they might restore the confideuce of their members. T. R. B. Chamberlain.

Suffelk.

#### Coal industry penalised

Council of Ironfoundry Sir,—Mr. Boam writes (July Associations, 23) of the penalties under which 14 Pall Mail, SW1.

rom Mr. W. King Sir.—Confusion, wavernment, Management and listons trying to bemuse us all it talking of ware insured as

rime Minister, Government Inisters are heralding this as major breakthrough, a real filer-than thou attitude to me us all to believe that all embers of Parliament are paring in the economic crisis. ing the very hackneyed isthod of comparability we see

Dw false this is.

The new meagre increase ited by MPs for themselves is amount out equal to the total amount of week that each old age penmer receives. The simple are of arithmetic, without the infusion of percentages. is cause an MP already received aty 10 times as much as an of age pensioner before they ried for even more. The near anemployed, who could not voice heard, fare

betier than the old age

pared with France, Germany quite wrong, and Belgium. His question could The most ironfounding industry which uses a considerable tonnage of foundry cole in its families for financing trade union halquite well be extended to the foundry coke in its furnaces.

this coke is £95.30 per tonne, but our competitors pay less. At present French foundries UK foundry industry is rife with rumours that the price of again this year. What hope, time so to do then, of our foundries being For some times. able to compete when they are all TUC unions who are able to saddled with this extra burden. run educational courses have not to mention the burden of increased costs from other past. H Mr. Murray thinks it a parity between the UK and dangerous conduct than accentaring to offer a lower wage rise French price for coke is such ing money for nostal voting, the The who should be in the dock. prising fuel merchant will seek to import French coke.

> There are, it seems to me, two lessons to be learned from this, one by the National Union of Mineworkers and the other by the Government. The NUM and its members should hause to consider very carefully the extent to which they push their current wage claim. If they push it beyond the bounds of what can be afforded by increased productivity, they will be pushing fellow trade unionists out of work as we lose more markets because of dearer coal. The Government should press very strongly for the removal of coal subsidies by our Community competitors, and if unsuccessful then it should remember the old adage; "If you can't heat them, join them!" and pay a subsidy on coking coal to match that found in Belgium.

D. L. Farrant. The Council of Ironfoundry

their salary and pension in-

creases were secure before opening the books to reveal a

frightening figure of nearly 2m

largest public company we have.

If the Board of any major com-

pany in this country had met

themselves salary increases hours before revealing near

Recently the Prime Minister.

When will all parties realise

unemployed.

Exchange.

£25 extra

tom the Director.

a week

consterna- that the UK is in itself the on and inflation have been welled in post-war years by avernment, Management and tead of the very British readily interstood pounds and pence sing the meaningless jargon Percent Percent on an un-lighted base figure is like a ece of string without end, and a base figure is used it is inch simpler to quote increases

unique way to get value for money from top management for example £25 per were the approximate figure of the stellar age rather than hide the hind a great the direction of the dir with the appointment of Ian MacGregor to British Steel, Payment by performance. May I suggest this, and all other, Governments adopt the same policy. We are the shareholders in "United Kingdom Limited and of course pay the massive Westminster wage bill and could think "9.6 per cent" or £25 per week extra was gross

overpayment. Wilfred King. 17 Hargate Close. Tunbridge Wells,

Money for

ballots From the General Secretary Amalgamated Union of

Engineering Workers Sir,-I cannot with complete confidence record the names of those responsible for the distorted leaks upon which Christian Tyler's article (July thee that Members sat 17) was based, but of course much the night to ensure that I have a good idea; neverthe.

our coal industry operates com- less. I'm afraid his analysis is of governors, at once the With 7 per cent to 15 per cent

This is an unimportant The current ex-ovens price of residual issue compared with separate companies operating the deep subtle impoverishing anti-trade union intentions of the Bill: this is why the three which are competing very engineering representatives, on strongly in our domestic market, behalf of the AUEW, have engineering representatives, on pay no more than £65.70. The played their part within the general council of the TUC in opposing the Bill in its foundry coke is to be increased entirety, and my union will con-For some time now, however,

run educational courses, have enthusiastically queued up for Tory Government grants to subnationalised industries? The dis- sidise these activities-more latter is a mere mechanical exercise

(Sir) John Boyd, 110 Peckham Road. SE15.

#### Trade union attitudes

From the General Secretary, Engineers' and Managers' Association

Sir,-Philip Bassett (July 22) unfortunately misrepresents what I said in my article in the current issue of my journal when he says that I am urging the Government not to abandon its economic strategy in spite of TUC opposition.

What I was arguing was that the General Council should not demand that the Government should abandon its economic strategy as a condition of talking to them—which is quite different.

In fact, my union does not the Government's economic strategy, which is undermining British industry and needlessly creating un-

The essence of my article was to do with the need for the TUC to fashion policies which would about 10 per cent inflation in maximise support in opposition the lower chart, not to mention in the still of the night to vote to the Government's economic the devaluation of the dollar. policies as opposed to taking so that drawing of the shock actions and striking postures line in mid 1979 is a bit arbidisaster their shares would have been suspended on the Stock actions and striking postures divisive which are · ineffectual.

ably supported by Sir Keith John Lyons, Joseph, said they had found a Engineers' an Engineers' and Managers' Association. Station House. Fox Lane North. Cherisey, Surrey.

#### The BBC's standing

From the Director, Public Affairs, BBC

Sir.—Lombard in the person of Ian Davidson (July 22) has strayed from the authority of his own territory and put forward his views on broadcasting, a territory with which, I suspect he is less familiar. Most of his notions have been dreamt up before and rejected many times for good reason after careful thought by people who have really studied the question. Take his main point—that the BBC should be placed under the Independent Authority, which he says "doesn't do very much now."

choice a trustee of the public total losses over the period were interest in broadcasting. The TBA is a statutory regulatory body set up to watch over 15 and reported by Mr. Brittan.) under the Companies Act, and now with the additional task of looking after the fourth channel and independent local radio. increase in the price of oil like Commercial TV was deliber-

ately set up to compete with the BBC and to exist on a separate financial basis. It could hardly do that if the and monetary authorities do finances got mixed up together and came under the same authority

BBC, Broadcasting House, W1.

#### Causes of inflation

inflation rate.

From Professor A. Frank Sir,-Mr. Brittan is permit-

ting himself and his readers to be misled by the Organisation for Economic Co-operation and Development when he writes (July 17) that "oil price increases bring recession" and that the present world recession is a repeat performance of its 1974-75 predecessor. Like that one, it has been triggered off by a "shock" increase in the oil prices and partly for that reason has been accompanied by a temporary acceleration in the

It is true that this has been the litary of OECD and other propaganda for many years, but OECD's own and all other evidence shows these statements to be false. The OECD graph reproduced by Mr. Brittan clearly shows that the growth rate of GNP began its decline before the "major initial impact of each oil shock" in the first semester of 1973 (more than six months before the first oil shock in October 1973) and at the beginning of 1979 that is long before the sharp oil price in-creases decreed in December 1979. (According to the OECD benchmark crude oil prices had risen only 14 per cent during by October compared to trarily premature). Thus, OECD facts, which Mr. Brittan seems to make his own, completely belie his claim that oil prices

bring or even trigger recession. Indeed, in the special section at the back of the same Economic Outlook used by Mr. Brittan, OECD finds itself obliged to face up to its own and all other data and to admit that "it seems clear that a substantial slowdown in economic activity was already taking place in the months immediately before the oil price rises in the autumn of 1973... The latest oil price rises also occurred when growth in the OECD area was apparently slowing down."

It is also popular to blame world inflation on the price of oil, and Mr. Brittan unfortunately echoes this propaganda. But the OECD chart he reproduces also shows clearly that the rate of inflation accelerated for a year and a half before the oil shock and declined soon thereafter. (Thus the two major oil price increases not only followed major accelerations of Broadcasting inflation but may themselves have been caused by the inflations as oil producers sought The South Bungalow, For 53 years the BBC has been to recoup their losses from

uite wrong.

supreme authority within the annual inflation between 1974
The most obvious target is BBC and by convention and and 1979 according to the chart. certainly much higher than the 10 per cent calculated by OECD Quite properly, both the OECD

and Mr. Brittan now emphasise the deflationary consequences of oil prices. The effects of an an increase in VAT are deflationary and not inflationary. because they withdraw purchasing power, but only if the fiscal nothing to counteract them. Since 1974 Governments have deliberately reinforced these recessive effects through through austerity policies. According to OECD "in recent months discretionary budget changes . in the United States and the United Kingdom alone are OECD area GNP by over | per cent below what it otherwise would have been by mid-1981."

In other words all other evidence clearly shows that neither recession nor inflation tlet alone their stanflation combination) are caused or even triggered by the price of oil: so that they must be due to other causes. There were recurrent recessions for normal business cycle reasons for a long time before the price or even all itself rose (two dozen of them in two centuries) and some, like the recent ones, have been

aggravated by public policy.
As to inflation, the evidence is that it is not caused by rising prices of oil or of labour (for as the OECD and Mr. Brittan rightly point out and as is conagain for the UK by recent Government statistics. real wages have been failing and therefore could hardly be inflationary'). The evidence is that supply push/shock" inflation, which accelerates precisely at the beginning of recessions, is caused primarily by industries whose monopoly power permits them to defend their profits by increasing prices but reducing production and employment while the monetarist authorities only permit this real inflationary cause to become operative by concomitantly increasing the supply of money).

Professor Andre Gunder Frank. University of East Auglia School of Derclopment Studies.

#### Sales are the kev

confronting Fodens.

From Mr. A. Paske, Sir.-I was interested to read the letter from Mr. Oakeshott (July 19) and his ready-made solution to the difficulties now

Unfortunately Mr. Oakeshott falls into the same trap as so many would-be experts. In short, production is not the number one, selling the production is art which has never ever received its due in this country It has always been somewhat shabby to be involved in sales but without sales you can produce and produce as much as you like, nobody buys them, and you are back to square one.

Regrettably workers' co-operatives that I have ever read about have failed to understand tnat the product must be sold and that is the reason nearly all have collapsed.

A. R. Paske. Regal Ladge. 2 chartered body with a Board inflation and dollar devaluation. Kentlord, Newmarket, Suffolk

#### Today's Events

Monks Bridge factory, Bradford. Metropolitan Police Mr. James Prior, Employment Secretary, presents awards at Show, Imber Court (to July 26). PARLIAMENTARY BUSINESS Construction Industry Training House of Commons: Motions on Board's prize giving, King's Lynn. Mr. Leon Brittan, Home Office EEC documents on New Zealand butter, and protection of workers from exposure to metallic com-Mr. Norman Fowler, Transport

COMPANY MEETINGS Mr. Douglas Hurd, a Foreign Office Minister, speaks at Not-

Mr. Nicholas Ridley, a Foreign Office Minister, speaks at Cocker-Broadway, SW, 12. Chamberlain Harborne Road, Birmingham, 12. Two-day Country Landowners and Hill, Chukery Foundry, Wal-sall, 12. Crosby Spring Interiors, Hotel, Exeter, 12. Association Game Fair opens,

Fieece Hotel, S. Helens, 11.30. Downs Surgical, Selfridge Hotel, Orchard Street, WC, 12. Giltspur, Mount Royal Hotel, Bryanston Street, WC. 12. Greenhaven Securities, St. Andrews House, 40 Broadway, SW, 10,10. Hawtin, Metropole Hotel, Blackpool, 2.30. Edward Jones, Plascelyn, Bangor Road, Penmaenmawr, 10.30. Leopold Joseph, Brewers Hall, Aldermanbury Square, EC, 12. Portsmouth and Sunderland CUMPANY MEETINGS

Armitage Shanks, 75 Harborne
Road, Birmingham, 12. J. Billam, well Industrial Estate. Sunder-Royal Victoria Hotel, Sheffield, land. 12.30. UKO. Winchester 12. Capital and Counties House, 100 Old Broad Street, EC. Property, St. Andrews House, 40 12. West Bromwich Spring, 75

3 Radio Times List the half-dozen :

Number one, the Daily Telegraph? Correct.

Number two, the Sunday Express? Number three, Radio Times?

Right again. Number four...wait a minute. Does Radio Times have the third

highest coverage of any publication? It does indeed. In fact, taking magazines alone, Radio Times is number one.

The latest survey of businessmen's reading habits\* shows we reach 32% of them. And, when it comes to the

senior men, those who earn £12.000 or more a year, we reach 38%. If you are, for example, in

the travel business, this could

mean a lot. 49% of those in this income bracket hired cars in the last twelve months.

BRC: Businessman Readership Survey 1980.

That's 77.000 people. And we

reach 40% of them. As another example, 71% of these top carners took at least one business flight in the last twentyfour months,

That's 112,000 people. And over 38% of them read Radio Times. All these percentages add up to

If you sell anything to businessmen, it's worth considering doing



For further information contact Head of Advertisement Department. BBC Publications, 55 Marylebone High Street. London WIM 4AA, Telephone: 01-580 5577.

# Davy falls to £15m but maintains 6.7p payment

there has been a sharp reduction in profits of Davy Corporation for the year ended March 31, 1980. The pre-tax figure is down from £26.13m to £15.94m and net profits are £9.41m compared with

£17.16m previously.

The reduced profits together with a higher rate of tax affected carnings per share which are stated as 12.5p against 22.7p. However, the directors are maintaining the total dividend at 6.7p per share with an unchanged

final payment of 4.7p.

Sir John Buckley, chairman, says the reasons for the sharp downturn are the same as given in the interim report—the engineering strike and steel strike in the UK affected manucompanies, losses on contracts at the U.S. Olsen construction company while profit margins of the UK engineering and construction were not fully maintained.

Fortunately the nature and diverse locations of the group's mainstream business leave its profit less vulnerable to inflation, and together with a strong balance sheet and improved cash resources place the group in a position, Sir John states. Referring to the merger between Davy and McKee which became effective in November. 1978, the chairman says work has proceeded steadily on the integration of the two companies and is now complete. An analysis of turnover—

(£611m)—and profit the UK side of Davy McKee Engineering and Con-struction contributed £265m (£275m) and £18m (£24.8m) while the U.S., German and other companies contributed £398m (£245m) and £7.3m (£5m). Engineering and manufacturing companies' contribution was £89m (£91m) and £1.7m (£1.2m)

The outcome for Davy McKee in the U.S. has been encouraging greatly improved says the chairman. However in the UK, the strong pound, inflation and high interest rates make the winning export contracts extremely difficult.

Good prospects are indicated for engineering companies in

The group's year-end balance sheet shows shareholders funds £83.85m (£79.44m), loans £31.09m (£32.3m), overdrafts and short-term loans £7.25m (£4.04m), and bank balances, deposits and bonds £77.34m (£68.67m).

Lex, Back Page

#### IMPROVEMENT BY UPDOWN INV.

After all charges including tax of £22,908 against £15,171. revenue available to ordinary holders of Updown Investment Co, investment trust, improved from £32,222 to £43,254 for the and medium growth companies, 4p.

rose by £21,520 to £83,950. Net asset value per 25p share at the half year was 96.1p

(74.2p a year earlier). The company does not pay interim dividends-last year's single payment was 1.75p net.

# Tace rises

control equipment maker Tace, rose 8 per cent, from £265,000 to March 31, 1980.

Turnover showed a marked increase to £8.07m (£7.12m) and trading profit before interest charges (up from £202,000 to £282,000) rose by 22 per cent to £568,000 (£467,000).

The directors say that the worsening economic climate has looment broaden their customer base at home and seek new export Higher interest rates on an

unchanged level of borrowings, they add, largely offset the increase in trading profits. Maintained stock levels and decreased capital expenditure gave rise to the increased tax

After tax of £144,000 (£57,000) and minorities £10,000 (£18,000) attributable profit was £58,000 lower at £132,000. Retained profit also showed a fall at £70,000 (£130,000).

An interim dividend of 0.85p et is declared, compared with Last time a final of 1.71429p was paid on pre-tax profits of £568,000.

#### Oil boosts Edinburgh American

INVESTMENT in the oil and gas industry made the biggest contribution to a 10 per cent rise in the net asset value, to 81p a share, of Edinburgh American Assets Trust, during the six months to June 30. At June 30 last year net asset value was 67.5p.

The company says the first half has been a period of con-siderable volatility in financial markets, particularly North America, its most important area of investment: although the U.S. market rose 7.5 per cent, the decline of the dollar resulted in a fall of 1 per cent in sterling terms. Given the strategy of con-£891,733.

centrating investments in small

The Chairman, Mr. Edward Binks, reports:

LASMO was a record £12.9 million.

**Group results** 

Profit before tax \_\_\_\_

Extraordinary items \_\_\_

Earnings per ordinary

Dividends per ordinary

Retained profit ..... .....

Ordinary dividend—times

covered (fully taxed basis)

Profit after tax ....

share .... ----

31st March 1980.

Turnover

figure in our balance sheet of £7.7 million.

for the year ended 31st March

Dividends. A final dividend of 2.1p is proposed

making a total of 3.5p for the year ended

£000

309,615

13,396

10,312

21.15p

3.50p

3.78

the board considers the results satisfactory.

Oil and gas investment. accounting for 18 per cent of assets, made the most important contribution to the rise in net asset value. At the end of June 57 per cent of assets were invested in North America, 32 per cent in the UK, and 11 per cent elsewhere.
The rise in U.S. interest rates

led to a large increase in borrowing costs and a substantial £105,000 against £209,000 in the same period last year. Gross income was £685,000 (£645,000) but interest and expenses took £580,000 (£436,000). Tax took £91,000 (£87,000).

The company expects the second half to bring a dramatic fall in interest rates, so net income will not be significantly different from last year's £522,000. The dividend of 0.7p net per 25p share is expected to at least maintained.

#### J. I. Jacobs ahead at half year

ON TURNOVER up £10m at £749m, pre-tax profits of John I. Jacobs and Company, shipowner and shipbroker, advanced from 2653,000 to £745,000 in the six months to June 30, 1980. In the last full year, profits were £1.33m.

raised from 0.6p to 0.7p net and the directors say that although they do not expect the full year's earnings from trading to match those of 1979, they anticipate some improvement in the rate of final dividend. Last year's final was 1.5p.

The first-half surplus includes investment income and interest of £422,000 (£287,000) and a release of £238,000 (£133,000) previously provided for diminution in the value of listed invest-ments, and is struck after interest charges of £50,000 (£6,000).

Tax takes £231,000 (£263,000). and attributable profits were £514,000 (£390,000).

#### JATEL LOSSES REDUCED

A marginal reduction in prelosses, from £71,881 f61,860, is reported by Jatel, an investment holding company Indian tea interests, for

the loss per share from 6.2p to thing between £2m and £21m 4.28p. There was an extra-pre-tax this year — a return on ordinary debit last time of net capital employed comfortably

Cawoods

**Record increase in** 

turnover and profits

Capital expenditure on plant and vehicles, equipment for leasing, and increased investment in

Present market value of our investment in LASMO £52.0 million compares with the cost

Government economic measures are having an increasing effect upon trading conditions in

industry generally, but with our spread of interests, sound management team and strong financial

**Divisional contributions** 

£000

Fuel distribution \_\_\_ 6,496 53.8 3,988 46.3

builders supplies \_\_\_ 3,411 28.2 2,513 29.2

1,321

13,396

to Group profit

Sand and gravel and

Road materials and

Refractories

Packaging

Interest and

concrete products ....

Shipping services \_\_\_

investment income

position we shall be well placed to benefit from the upturn in the economy when it occurs.

£000

9,450

5,693

11.71p

2.77p

3.01

Cawoods Holdings Limited

The Annual General Meeting will be held on 28th August 1980. Copies of the Report and Accounts will be available after 1st August 1980 from the Secretary, Southlands, Ripon Road, Herrogate HG1 2HY-

(385)

236,998

Turnover up 31% to £309 million and profits before taxation up 42% to £13.4 million.

#### HIGHLIGHTS

Davy Corporation has produced some poor results for the year reflecting growing margin pressures. The oil sector has gained another recruit with the coming of Charterhouse Petroleum. Lex looks at the prospectus and also analyses the impact on the Charterhouse Group. Lex considers the statistics on institutional investment in the quarter which is highlighted by the increase in overseas investments by the pension funds. On the inside pages the losses from Laurence Scott come in for comment and the figures from Mining Supplies are also considered, the latter has a near 30 per cent stake in Scott and makes no secret of its desires for a full take over. Automated Security produced its half time results which are predictably buoyant, but Negretti and Zambra whose figures are also commented upon produces less impressive news—the company is in the red and no dividend is being paid. Finally Cawoods reports another set of excellent figures though the company does now face tougher going.

**UK COMPANY NEWS** 

# **Automated Security** improves margins

and expenses has enabled Automated Security (Holdings) to increase margins in the six months to May 31, 1980 with the result that pre-tax profits new business. But this means of the security alarm systems lower capital investment, higher group climbed 42 per cent from £620,000 to £878,000. on turnover up 29 per cent to £6.6m.

Second-half turnover is expected to continue at or above the present level. In the last full year turnover reached £11.12m and profits of £1.56m were achieved. Mr. Thomas Buffett.

chairman, comments that despite the current economic climate the company continued to make steady progress in the first six months. Modern Alarms, the group's

major trading subsidiary, con-tinued its planned investment programme in rental equipment by investing in excess of £1.5m on new rental installations in the period. Rental income in the first half was in excess of

Tax took £53,000 (£44,000) and earnings per 10p share are shown up from 6.52p to 9.21p, or from 5.6p to 8.02p fully diluted. The net interim divi dend is lifted to 1p (0.77p) per chara absorbing £123.000 share, absorbing £123.000 (£103.000)—last year's total was In May the company raised

£3.1m through a rights issue of 8 per cent convertible unsecured loan stock. Although these funds are being used to reduce gearing at present, in a period of high interest rates, number of investment opportunities in the electronic security field are being con-Mr. Michael Hawker, manag.

ing director of Modern Alarms, been appointed to the board.

comment

The after-tax deficit is reduced to £64.860 (£93.984) and Automated could make some 891,733. over 20 per cent. There may the dividend is maintained at be a recession but it has little effect on companies such as

1979

£000

124

651

826

9,450

12.075 100.0 8.624 100.0

7.5

tends to keep pace with infla-tion. If there is any impact it probably amounts to a small slackening in the growth rate of lower capital investment, higher of profits expansion. Following margins and thus a better rate the May rights issue Automated is virtually nil-geared and new investment in rental assets probably in excess of £3m this year — will be more or less matched by cash flow. A couple of small acquisitions are in the pipeline which should improve regional densities. The share price. up 10p to 310p against a low for the year of 200p, puts the group in a fully-taxed earning multiple of around 25 (in fact very little tax is actually paid) and a notional yield of 1.3 per cent. The rating speaks the market's view for the fore-seeable future looks likely to be

#### Y. Lovell up 15% at midway FOR THE half year ended March

1980, taxable profits of Y. J. Lovell (Holdings), construction and timber group, improved by 15 per cent from £815,000 to £939,000, and the directors say that trading in the current six months has been satisfactory so far. However, with continuing high

interest rates and extremely competitive conditions they view the short-term prospects with some caution. For the whole of last year profits were a record £2.62m and the directors felt that, unfore-

seen events apart, the group was well set for further growth in First-half external turnover amounted to £62.7m, an increase

of £15.5m-inter-company sales

totalled £3.83m against £2.54m.

Total turnover and profit were plit as to: construction and related activities £59.43m (£44m) and £764.000 timber £7.1m (£ £175,000 (£150,000). (£5.76m) and

The net interim dividend is raised to 2p (1.75p) per 25p share—last year's final payment

#### Pritchard: no directorship for Ashcroft

Mr. Michael Ashcroft, who acquired 20.1 per cent of Pritchard Services Group in a dawn raid " last week, is not to get a board seat on Pritchard at this stage."

Yesterday, Mr. Peter Pritchard, the chairman, said that his request had been carefully considered but "in the absence of full particulars from Mr. Ashcroft regarding his future inten-tions, it would be inappropriate to accede to his request."

After his raid last week, Mr.
Asheroft said be would be pre-

pared to buy up to 29 per cent of Pritchard but did not intend at present to make a full bid. At vesterday's board meeting of Pritchard Mr. Ashcroft gave assurances that if appointed he "would not do anything which would be regarded as provocative." Rather, he wanted to "facilitate the consolidation" of Pritchard's interests with his own cleaning business through Pro-

vincial, the laundries group.
In spite of Mr. Ashcroft's assurances, the Pritchard board could not satisfy itself that his appointment would be "in the long-term interests" of the

#### COSTAIN GROUP Costain Group is forming a

Mexican company, to be known as Mapec Sa de CV, which will undertake civil, mechanical, electrical and instrumentation lesign and construction work for Of the Mexican shareholding in Mapec, 51 per cent will be held by Medrano y Asociados Construcciones SA and three of The remainder will be held by Costain

loss per 25p share of 11.97p turn is likely in the current 8.26p). year, after a small loss in the A nominal dividend of 0.1p first half. Of last year's deficit. Scott, electrical machinery and (2p) net is being paid. the engineering dispute cost control gear manufacturer, suffered a pre-tax loss of £1.57m half figures were after incurring losses in the control gear and for the year ended March 31, a further loss of some £350.900 heavy motor businesses cost 1980 compared with £1.35m (2p) net is being paid.

engineering strike, which con-

tinued into the early part of that A revaluation of the group's Liquid funds have increased

by £2.1m over the year following the taking of £3m medium term bank loans, the directors trading trend, evident in the second six months of 1979/80 explain. Gearing is approximately 27 per cent. comment

dancy payments £69,000 (£375,000), but was before a tax credit of £744,000 compared with

The attributable loss came out at £1.13m (£782,000), giving a

SPAIN .		
	Price	ı
July 24	%	+or-
Banco Bilbao	228	+2
Benco Central	246	
Banco Exterior	210	
Banco Hispano	224	
Banco Ind. Cat	120	
Banco Madrid	141	
Banco Santender	276	i
Banco Urquijo	136	-3
Banco Vizcaya	236	-
Banco Zaragoza	211	-2
Dragados	86	<b>'</b> +2
Espanola Zinc	59	
Fecsa	80.5	-0.2
Gal. Preciados,	25	41
Hidrole	67.2	<b>3+1</b>
lberduero	<del>6</del> 1.2	-
	119.5	42
Petroli <b>ber</b>	87	
Sogefise	107	
Telefonica	<del>5</del> 2.5	-0.2
Union Elect	66.2	+0.5
0.1		
Schrode	ar 💮	1

#### **PETROLEOS MEXICANOS**

U.S.\$100,000,000 Floating rate notes 1984 For six months

In accordance with the provisions of the notes notice is

Chemical Bank, London

# Mining Supplies up £1m and doubles dividend

Negretti & Zambra

Alfred Preedy ...... 2.6

Tace .....int : 0.85

a £670,000 slump to £551,000 at midway, caused by the engineer-ing strike, Mining Supplies has lifted its full-year taxable profits to £3.31m, compared with £2.27m. The single dividend for the 52 weeks to April 26, 1980, is doubled at 2p net.

improved from Turnover improved from £20.43m to £34.54m. After tax of £1.47m (£714,603), stated earnings per 10p share are 8.2p The dividend absorbs £450,000 (£225,000).

Effective marketing and sales enabled the parent company to expand in existing market areas and substantially increase its export sales, say the directors. Development and research is continuing on a new range of mining equipment to be launched over five years beginning in December. There is expected to be a steady growth in worldwide demand for the new shearer loader which has successfully

ompleted surface trials. Subsidiary American Long-wall Mining Corp. is to begin local manufacture in a new fac tory which will be completed by the end of September and will also contain a spares facility. Mechforge has retained share of the market despite adverse conditions in

material handling industry, and a diversification of the product range has brought some increase in business. A considerable rise in demand for repair services has improved the overall balance of activities. Mech Construction has stepped

up its turnover and profit and the directors are confident it continue to trade successfully despite more active competition in the depressed construction industry. Earlier investment in Mech

Cast has resulted in the company now realising its full potential. A growth pattern in line with the needs of the parent company is anticipated and production of castings for customers outside the group should increase steadily.

#### comment

Mining Supplies produced a pre-tax rise of nearly 46 per cent last year, a performance which may help to fuel its confidence about launching a takeover bid for the 70 per cent of Laurence Scott which it does not own. MS's market capitalisation stands

DIVIDENDS ANNOUNCED Date Corre Total Tatal
of sponding for last payment payment div. Year Nov. 14 Cardinal Inv. Tst ...int 1.65 Sept 1 Aug. 29 Dares Estates ......int. 0.5 Davy Corpn..... Derby Trust Gordon & Gotch ..... John F. Jacobs .....int. Laurence Scott Y. J. Lovell .....int Mining Supplies ......

Financial Times Friday July 25 1980

Dividends shown pence per share net except where otherwise states \* Equivalent after allowing for scrip issue 7 On capital increased by rights and/or acquisition issues. Includes special 0.33p. § Final not less than 3.5p forecast. ¶ Includes 1p non-recurring dividend.

25.7m for the latter, of which almost £4m is outside its hands.

MS has little gearing to speak of. Turning to last year's profits. showing, it is clear that the com-pany had an impressive second-half, partly as a result of its increase in export sales and also because of several contract com-pletions. The increasing world interest in coal production should help future prospects as MS develops its shearer business. with a number of new orders.
Research and development costs
may have been partly written of
last year, but this did not show up as an exceptional credit in the preliminary report. MS has

doubled the total net dividend. yielding just 2.1 per cent at 135p, up 1p. On stated earnings, MS is traded on a multiple of more than 16, which suggests that the market still sees further growth

#### Derby Trust

Available revenue of the Derby Trust came out nearly 20 per cent higher at £254,366, against £212,371, for the halftax of £136,109, compared with £128,369.

The distribution is equivalent to an interim dividend of 8.613p

(7.192p) net per £1 income share last year's final was 10.627p paid from £326,008. The directors say that second parable increase last year that period included substantial new recurring payments following Assets attributable to capital

2.6 2.25

Sept. 15 0.8

- 3.35

0.5

shareholders amounted to £12.19st against £10.04sm; asset value per capital share is given as £75p (391p).

#### Common Market Trust ahead

Market Trust advanced from £697,177 to £868,895 for the year to June 30, 1980. Jersey tax was £173,334 compared with £139,002. Equalisation payments received amounted to £12,422, against

The interim dividend is raised from 32p to 39p, but again no final dividend will be paid: shares at June 26 was £14.64

around film together. Leurence Scott is now working to improve

its balance sheet with a property

revaluation and a shift in bor-rowings from overdraft to Ioans

Promising signs this year include

more sales to North Sea

customers, more defence contract

business and more progress pay-ments by major clients. Around

the corner, however, the specife

of a bid from Mining Supplies

is lurking. This company has

# Laurence Scott £1.87m loss despite second-half pick-up

DESPITE A much reduced loss in the second half, from (8.26p). £881,000 to £301,000, Laurence A non Scott, electrical machinery and

Turnover, up by 6 per cent to £39.26m (£37m), reflects a fall in volume, the directors say, and competitive pricing worldwide.

Output is currently ahead of the same period last year, but they feel the continuing reces-sion suggests that the improved

and the first quarter of the current period, may be slowing. Loss was incurred after depreciation and plant leasing of £1.09m (£1.06m), interest £845,000 (£432,000) and redundancy payments £69,000

SPAIN .		
	Price	
July 24	%	+ar-
Banco Silbao	228	+2
Banco Central	246	
Sanco Exterior	210	
Banco Hispano	224	
Banco Ind. Cat	120	
Banco Madrid	141	
Banco Santender	276	
Banco Urquijo	136	-3
Banco Vizcaya	236	_
Banco Zaragoza	211	-2
Dragados	86	<b>4</b> 2
Espanola Zinc	59	. –
Fecsa	80.5	-0.2
Gal. Preciados	25	<b>'+1</b>
Hidrole	67.2	91
Lberduero	61.2	•
	119.5	42
Petroliber	87	
Sogefise	107	
Telefonica	62.5	-0.2
Union Elect	66.2	+0.5

Special Exempt Fund Schroder

Recovery Fund Commencing 5th August, 1980, the above funds will be available for dealing on alternate Tuesdays. Any enquiries should be addressed to:
Mr. Michael Smith Schoder Unit Trusts 48 St. Martin's Lane London WC2N 45J,
Tel: 01-240 3434

24th July 1980 to 26th January 1981 hereby given that the rate of interest has been fixed at 91% per annum.

(Agent Bank)

#### For a company with a reported pre-tax loss of £1.9m, actually 39 per cent higher than last year's loss, Laurence Scott did not Scott, which was yesterday sixty attract much criticism in the at 195p, 3.25 times the corre market yesterday, where shares moved 2p upward to 60p. The reason for this reception to the

nearly 30 per cent of Laurence Scott and has made little secret of its desires. One of the con siderations will surely be the net asset value of Laure Scott, which was yesterday stated. share price. As for the yield, it is hardly worth calculating ou the symbolic 0.10 paid out as company's news is that an up- a total net.

#### PULLMAN

The Board of Directors of Pullman Incorporated met on 9 July 1980 to study the takeover bid made by J. Ray McDermott relating to two million shares at 28 dollars per share.

Considering that this price is insufficient and that this bid does not correspond to the interests of the Company nor of its Shareholders, the Directors recommended that it should not be

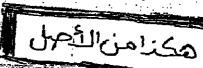
In view of the fact that this offer raises serious problems in relation to Federal anti-trust laws, Pullman Incorporated has started legal proceedings on 9 July at the Northern District Court of the State of Illinois in order to have this takeover bid prohibited.

The Shareholders of Pullman will receive a copy of file 14-D-9 submitted on 10 July to the Securities and Exchange Commission; alternatively they obtain it from Puliman International, boulevard Haussmann 75008, PARIS Tel: 562 35 35.

# M. J. H. Nightingale & Co. Limited

<i>ior</i> s High	1-80 Low	Company Airsprung Armitage and Rhodes			Groups	Field .	ښت
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14R	921	Armitege and Rhodes Berdon Hill County Cars 10.7% Pf. Deborah Ord. Frank Horseli		· · • • · ·	3.8	16.5	1.5
100	꽃'	County Com 40 3W pr	··148X	. + 0-7	9.7	6.6	100
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					10.5	17.6	- :-
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232	ዀ	Today			31:3	31.0	
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34	114	Winlock Urd	134		-		. 64
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99	42	Walter Alexander:	95	`# <sup>*</sup> 1	4.4		. 9.8
228	136	W. S. Yeares	770		4,4;		-6.3
		1 Accounts prepared under		T 1	12.1	. 5.1.5	13.9

CORAL INDEX: Close 487-492 (+1)



PREN Londor Ordina. e<sup>ge rai</sup>

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# Charterhouse selling 51% Negretti suffers £0.4m

# stake in N. Sea offshoot loss despite late rally

AT LEAST 126.85m will be raised by Charterhouse Group through the offer for sale of a majority stake in Charterhouse Petrolema (CP), the North Sea oil company with a 2.3 per cent interest in the Thistle Field.

The underwritten offer is being made by tender at a minimum price of 65p per spare. Charterhouse will sell the shates, representing 51.25 per cent of CP, and is seeking a full Stock Exchange listing for the new company. It will be the first time that a British company with North Sea production and exploration arreage has been floated in London.

Charterhouse is making the offer to its own shareholders, to the employees of CP and to shareholders of keyser Ullmann Holdings, with which it recently agreed a merger. Charterhouse has already subscribed £28.8m for current liabilities and deferred tax bring the figure between the first time that a British company with North Sea production and sploration.

Charterhouse is making the oounted net cash flow from CP's holding in Thistle at £30m. To this figure is then added the E20m cash and fillow made up of interests in other licences and intangibles such as Seventh as E20m cash to fill shift in the figure between the figure to fill the figure of £20m. In a weighty offer document, Charterhouse for cash that CP will make pre-tax profits this year of at least £8.6m, including in Thistle at £30m. To this figure is then added the E20m cash and file fill of the figure of £20m cash and fill offer to current liabilities and deferred tax bring the figure between the figure of £20m cash and fill offer the figure of £20m cash and fill offer to current liabilities and deferred tax bring the figure by with make pre-tax profits this year of at least £8.6m, including fill of at least £8.6m, including in Thistle fill of this figure is then added the E20m cash and fill offer to current liabilities and deferred tax bring the figure by with make pre-tax profits this year of at least £8.6m, including fill of the figure to fill offer to current liabilities and deferred tax bring the f

irred a merger. Charterhouse has aiready subscribed £28.8m for shares in CP and, in return. Has received £8.7m as repayment of inter-company indebtedness. Charterhouse will therefore rerefines indebtedness. which is current at the minimum offer price, seismic surveys.

At the minimum oner price, seismic surveys.

(P. is capitalised at 252m. Mr. CP will be applying for licences pilipp Ralph, a director of in the forthcoming Seventh Charterbouse Japhet, said yes through its interest in three

. Apart from cash and its Thistle Field interest, CP's assets include a one per cent interest in At the minimum tender price, a field adjacent to Thistle where starterhouse will therefore rechie £6m after expenses, while already been discovered. It also CP will be left with cash of owns an 8.166 per cent interest in will be tert with tash of two blocks where an exploration and two blocks where an exploration, development. Charterhouse will the its net proceeds initially to year and 9.8 per cent of a block which is currently the subject of

consortia operated by Gulf and Burmah. Finally, CP has a 30 per cent interest in Jubilee, another company which will be applying for licences. CP is currently negotiating an

agreement which would enable t to take an 8.5 per cent interest in an existing licence, in return for a 17 per cept contribution to drilling costs on an exploration

well.
The company also plans to spread its production interests over more than one field and to reinvest its Thistle cash flow in oil and gas ventures in and around the UK. In addition, it will examine opportunities outside the UK, particularly in North America.

Charterhouse says that it would have preferred to have made the offer to shareholders on a pro rata basis but that this course of action could have resulted in lax disadvantages. Applications will be for a minimum of 100 shares and must be lodged by 10 am on August 7. No tenders will be accepted below the minimum offer price.

Giving its reasons for the offer, Charterhouse says that it believes "would benefit from access to alternative sources of finance and the ability to make acquisitions by the issue of its own listed securities." Charterhouse itself intends to maintain "a substantial minority interest " in

The offer is being underwritten by Grieveson, Grant and CP's advisers are Charterhouse Japhet. Lex, Back Page

This improvement was due to better business basis and a reduction in costs resulting from product rationalisation and the disposals of certain of the group's assets.

Reorganisation and redundancy costs at Aylesbury and Willesden accounted for £911,897 of the £1.12m extraordinary debits, and stock write-off less unrequired provisions cost £200,777. A former director received an ex-gratia payment of £34,000. In the previous year extraordinary debits accounted for £64,248. After tax considerably higher at £137,370 (£8,852) there was

an attributable loss of £1.66m (£55,755 profit). There is a stated loss per 25p share of 28p (earnings 3p). The book worth of an ordinary share is down from 104.5p to 53.4p. Negretti and Negretti

ALTHOUGH the improvement in second trading was realised, Negretti and Zambra, industrial and aviation instrument maker, plunged heavily into the red in plunged heavily into the red in the year to March 31, 1980. A pre-tax loss of £407,868 is reported compared with profits reported compared with profits of £106,642 in the 'previous year. Turnover moved ahead from £11.28m to £11.34m.

No dividend is being paid "1.92579p last time."

Tord, chairman, who interim and interim are resisted, especially after the province of the interim and interim and interim and interior business and the related photomatical business and the related photomatical business have been sold.

\*\*Interior of £106,642 in the 'previous year. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' interior into all continents. The Board abandoned its £186,0' into all continents. The Board abandon The industrial division, now Negretti Automation, has consolidated its reduced workforce into a single building on the Automation of the A

Aylesbury site.

The electrical subsidiary.
Sepkarn, had a poor year, says
Mr. Ford, but following management and other changes it has now met its budget and improved its order book in the first quarter of the current year.

Mr. Ford, looking ahead, says it is difficult to be optimistic. So far this year the group is on budget, although this predicts a loss at the balf-year stage. He expects to see a marked improvement in performance in the second half.

comment Like a balloonist losing altitude.

Negretti and Zambra is jettisoning ballast in the hope that microprocessors will lift it to Zambra new heights later in the decade. (Aviation) now accounts for Interest charges have wiped out

excellent year and again per cent, so the come urgent. Exploitation of the broadened product base continues both at increasing market penetration into all continents.

The traditional industrial instrument sbusiness has already gone and overseas, with increasing market penetration into all continents.

The Board abandoned its Sepkarn electrical business lost separate but Negretti stages. £186,000 last year but Negretti is still hoping that new manage-ment will put it right. If that proves to be the case, and micro-

processor orders continue to build up. Negretti may still bring smiles to the faces of its NEB backers. Yet the shares, at 38p, are now around half the price at which the NEB bought them two years ago and last year's huge attributable loss has helped to knock 49 per cent off their net asset backing, so there is a lot of ground to make up.

#### Cardinal Trust moves ahead

For the first six months of 1980, revenue of the Cardinal Intestment Trust moved up from £483,291 to £619,848, subto tax of £231.470 against £186.501.

Earnings per 25p deferred share expanded from 2.04p to 2.69p and the interim dividend. is raised by 0.15p net to 1.65p -payments last year totalled 4.38p including a special 0.33p. and pre-tax revenue was £1.06m. Net asset value increased to 184.5p (125.6p) per deferred

Here's one

British business

with news to warm

Gordon & Gotch profits up 45%

TAXABLE PROFITS of Gordon and Gotch Holdings, magazine and book exporter and computer bureau operator, rose in line with the midway forecast to f1.23m for the year ended March 31, 1980, a 45 per cent increase on the previous year's surplus of £832,569.

An arch 31, 1980, a 45 per cent increase on the previous year's surplus of £832,569.

At the interim stage, when there were pre-lax profits of £612,000. Sir Anthony Percival, the chairman, confidently expected that the second half result would be similar.

The final dividend, also fore-cast at mid-year, is 4.5p, lifting the total from 5.896p to 7.5p net. For the current year, the board says it expects to con-tinue its policy of paying increased dividends based on secure profits.
In the first three months. contributions from computer bureaux air freight and over-

seafreight container croupage business have suffered from the journalists' dispute at IPC in

say the directors. Together, these factors have caused the first quarter figures to lag some first quarter figures to lag some 22 per cent behind those of 1979. Sales, excluding associates turnover, went ahead from t28.1m to £30.91m. The surplus, which includes the share of associates profits, is subject to take advantage of any upturn in the business climated tax of £595,512 (£437.799). After minorities of £6.474 (£6,423), of 1.13p was paid.

attributable profit is up from £388,347 to £631,321, and stated carnings per share from 8.5p to Quoted investments, proper-ties, current assets and short-term deposits approach 25m. or 105p per share, say the directors, and are sufficient by themselves to support future dividend levels.

#### Dares down £89,000 but pays more

A FALL in pre-tax profits from f164,000 to 175,000 is reported bureaux. air freight and over by Dares Estates, builder and seas investments are ahead of property holder, for the first half budget, but the publications to June 30. Stated carnings per exporting side and the related 10p share are 0.63p against 1.83p. After an extraordinary credit of £130,000 (£103,000) earnings are 1.73p. (2.95p).

The company says profits have

May and June.

All publishing activities continue to be hurt by high interest and exchange rates, overpriced magazines and rising fuel costs, will be no liability for tax. While trading conditions remain difficult the board is confident that the group, particularly with the proposed acquisition of Stanhope General

#### Oil shares offered to Scottish fishermen

exploration through an oner for directors say that \$600,000 would easile it to take a 4 per cent stake in the consortium, though the authorised capital has been the authorised capital has been set at £2m, since more money would be required after the initial exploration stage.

All successful, it will enable the company to take a stake of up in a consortium phich plans to apply for one or more licences in the Seventh Rened of North Sea licencing. Ren-McGee (UK) will act as merator for the consortium and all also take a 45 per cent therest. The remaining 55 per the will be held by UK com-

The company says that, if it increeds in obtaining a licence, it will seek consent for its shares be traded under Stock inchange Rule 163 (3). It is seed that dealings could company at the beginning of 1981. If no blocks are affered to the insortium, or "if the terms and unexpectedly prove not its estable," the company will

The Fishermen's Petroleum
Company is offering Scottish
sahermen the opportunity to
participate in North Sea oil
remainder on allotment. The
coploration through an offer for
directors say that £600,000 would
contain the same of the sam

The company may have to part with a share of its licence interest in order to raise money, but would also consider a rights issue, a public offering or a

private placement. The offer will proceed if a minimum of 167,998 shares are applied for. In the event of over-subscription, a further prospectus, may be issued to raise additional france. raise additional finance.

Giving reasons for the offer, the directors say that "fisher-men should have their own company through which they can pany through which they can
participate on a ground-floor
basis in petroleum exploration.
The company will be owned and
largely managed by fishermen
using expert technical advice
where required."
Applications, for multiples of

epitable," the company will 50 shares, close at 3 pm on the subscribed funds to applications. The funds to applications of the funds to applications of the funds to applications. ats, together with accrued all the initial expenses of the

But the directors said that the

After minorities, profit attrib utable shows a marked fall from £1.12m to £767.000.

£145,000 (£142,000). A final dividend of 2.6p leaves

# Higher borrowing costs Jeave A. Preedy lower

SLOWING an increase of to £1.51m (£1.4m).

Showing costs, taxable profits of to £75,000 leaving earnings per trienty and Sons fell in the 12 25p share of \$.77p (13.7p).

Maths to March 29, 1980, to \$2,000, compared with £1.24m

The previous 53 weeks initial provision of £28,000 has been seed a seriest profits.

at midway the group, whose distribution of tobacco, decrionery and fancy goods as is as selling newspapers. stationery, toys and reported a loss before Fef £184,000, compared with a

Ripany was experiencing an crease in sales of non-tobacco was and they foreshadowed ells returning to more normal iover for the year sed from £64.33m to a 26m and operating profit rose

been made against profits.

A revaluation of the group's properties has resulted in a surplus of £2.19m, which has been credited to reserves, and surplus on the sale of freehold properties amounted to

the total unchanged at 3.35p net. The results include those of Midland Educational, acquired last year, which earned taxable profits of £403,000 on sales of

# vour heart. British Gas belongs to the nation. We all stand to gain from a strong, efficiently run, profitable gas industry.

And that's what Britain has. British Gas has just published its Annual Report and Accounts—and the news is good.

#### Record profits earmarked for massive investment programme

British Gas is wholly self-financing. The record profits announced in this year's accounts will play their part in fuelling the massive investment (over £4 billion) needed to meet Britain's growing demands for energy in the 1980's and beyond.

For instance, British Gas recently announced plans to develop its vast Morecambe Bay gas field off the Lancashire coast. This alone will cost around £1,000 million.

A further massive investment is planned to create a gas store in the partially depleted Rough Field off Humberside. This will be the first time that an offshore gas field has been used in this way.

Further major investment plans include the laying of the Corporation's biggest ever onshore pipeline—from St Fergus in Scotland to the North of England - and continuing high technology research into the feasibility of producing Substitute Natural Gas from coal on a commercial scale. This vitally important work represents a boost to the British economy.

#### **Gas Gathering Programme**

British Gas is playing a leading role in the preparatory work for the gas gathering scheme, which will bring into the nation's gas supply system from the second half of the 1980's enormous quantities of energy—which would otherwise have gone to waste.

#### Gas Prices

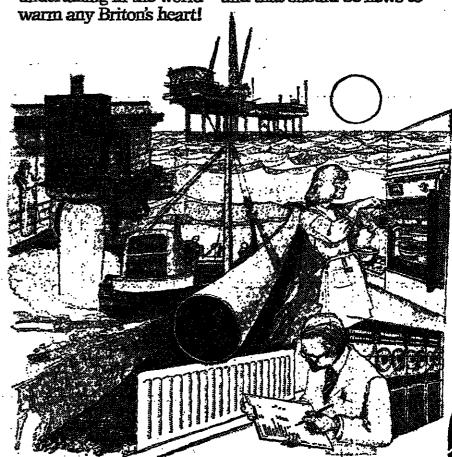
Over many years, gas customers of all kinds have enjoyed something of a bargain - and they are still benefiting, even though prices have risen, because those prices are appreciably lower than other fuels.

For domestic customers, The Guide to Fuel Running Costs' available from Gas showrooms, demonstrates this very clearly.

As we all know, the age of cheap energy is gone probably forever—but efficient management will help ensure that gas prices remain competitive for the foreseeable future.

#### An integrated industry

British Gas is a national asset, efficiently run for the nation's benefit. From exploration, through bulk transmission of gas - and right into each home and factory connected to the supply system, it covers a whole range of gas activities. Its profits mean not only that it is able fully to finance its own investments, but also provide a surplus which helps significantly to reduce the Public Sector Borrowing Requirement. In that way the profits benefit the entire nation and not just the gas customer. In fact, British Gas is probably the largest and most successful fully integrated gas undertaking in the world—and that should be news to



**OUR VITAL INDUST** 

# PLLLMA

#### Half-Yearly Statement London and Manchester Assurance Group

The Group's premium income and new business figures for the half-year ended 30 June 1980 were as follows (the corresponding figures for the six months to 30 June 1979 are shown in brackets):

1 PREMIUM INCOME London and Manchester Assurance

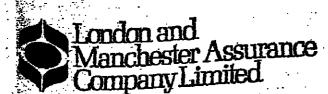
.£0000's Ordinary Branch Premium Income and Annuity (6,974) Considerations
Investment Trust Renrement 32) Annuities: Single Premiums... Industrial Branch (8,631)\* Premium Income Géneral Branch (2.056)2.589 Premium Income All risks of the General Branch

are wholly reinsurance Welfare Insurance Optimary Branch Premium Income and Annuity
Considerations (6,352)This amount includes Life Assurance Premium Relief

NEW BUSINESS FIGURES received only from 5 April 1979.

6,358 1,137 817 together providing sums 167,817 173,865

The new ousiness figures are net of reassurances. All Annual Premium figures shown are gross of LAPR, where appropriate. It is emphasised that the new business figures at the half-fier do not necessarily provide a reliable guide to those for the full year.



**APPOINTMENTS** 

# Public Relations

Due to planned retirement, a major British group operating internationally in industry and oil seeks a successor to lead the Public Relations Division.

- RESPONSIBILITY is to the board for the management of the division with special emphasis on contact and liaison with government, the financial world and the press. A directorship could follow and the appointment need not be regarded as a final career step.
- THE TRACK RECORD should include proven success in line management. Demonstrable communication skills are required.
- AGE 35/45. Salary in the order of £25,000 plus attractive fringe

Write in complete confidence to D.A.O. Davies as adviser to the group.

#### TYZACK & PARTNERS LTI

LONDON WIN. 6DJ and EDINBURGH EH3 6AJ 21 AINSLIE PLACE

# Life Assurance

LONDON MANAGEMENT

An established and fast growing company in the traditional life and pensions field is making this senior appointment to strengthen and expandits presence in the London area.

- THE ESSENCE of the role is to build up an effective sales team to generate an increased volume of business and establish a close relationship with brokers and other intermediaries.
- THE PRIME REQUIREMENT is a record of success in a similar tole, involving the management and development of sales through intermedianes. Experience of controlling administrative staff is essential, and familiarity with the London market would be a distinct advantage.
- TERMS are for discussion up to £20,000 with a car and the normal insurance sector benefits.

Write in complete confidence to J.A. Sturrock as adviser to the company.

#### **TYZACK & PARTNERS LTD**

LONDON WIN 6DJ TO HALLAM STREET 21 AINSLIE PLACE

and EDINBURGH EHR 6AJ

#### **FINANCIAL** CONTROLLER BERMUDA

One of the world's leading international trading companies seeks a vigorous chartered accountant to manage its financial operations in Bermuda. An attractive compensation package is available. with management and salary history to Omni, P.O. Box 34449, Washington. D.C. 20034, attn: Mr. White.

#### **LEGAL NOTICES**

IN THE MATTER OF
ANGLESEA SHELLFISH LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the
Creditors of the abova named Company which is being voluntarily wound
up, are required, on or, before the
15th day of August, 1980 to send in
their full Christian and Surrames, their
addresses and descriptions, full particulars of their debts or claims, and
the names and addresses of thair
Solicitors (if any) to the undersigned
LAURENCE JACK GERRARD
F.C.A., Chartered Accountant,
of Adem House,
14. New Burlington Street,
London, WIX 2BU
the (Joint) Liquidator of the said Com-

London, WIX 2BU
the (Junt) Liquidator of the said Company and, if so required by notice in writing from the said Liquidator, are, necessarily or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such right are proved.

Dated this 16th day of July, 1980.

LAURENCE JACK GERRARD.

Liquidator.

IN THE MATTER OF
SPIRIT GIFTS (MANUFACTURERS)
LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948
NOTICE IS HEREBY GIVEN that the
creditors of the above-named Company,
which is being volunterily wound up
are required, on or before the 15th day
of September, 1980, to send in their full
Christian and summans, their
addresses and descriptions, full
particulars of their debts or claims,
and the names and addresses of their
Solicitors (if any), to the undersigned
BRIAN MILLS.

Incitors (if any). to the undersigned BRIAN MILLS. of 1 Wardrobs Place.
Carter Lane.
London ECAV SAJ.
I Liquidator of the said Company.
Id. if so required by notice in writing method the said Liquidator. are, personly or by their Solicitors, to come in discove their debts or claims at such a process shall be specified such notice, or in default thereof y will be evalued from the benefit any distribution made before such any distribution made before such any distribution made before such are proved.

of this year following the previous payment of 15 cents. Dated this 21st day of July 1990. BRIAN MILLS. Liquidator Lower earnings in the past quarter reflected reduced sales

#### **PUBLIC NOTICES**

FIFE REGIONAL COUNCIL

£2m B-lls Issued on 23rd July 1980
Dur 22nd October 1950 at a rate of 14\*Applications totalled £16m, Total Outtransfer £2m.

BERKSHIRE COUNTY COUNCIL BILLS £15m due 23.10.90 Isaued 24.7.80. Average £95.38 £128m applications. £25m outstanding.

# Amax has good | Bell Grp. seeks second quarter | Panel approval

BY KENNETH MARSTON; MINING EDITOR

SECOND quarter results now this year are brought to \$281.5m. coming in from the major North or \$4.66 per share, compared with groups for the most part tell 2 when the year's total reached story of earnings higher than a record \$365.4m. those of a year ago, but lower than those of the buoyant first quarter of this year when metal prices were still riding high.

Even so, the combined earnings for the first two quarters of this year still make a good showing and allow for some further falling off in line with the world recession in the current half-

America's Amax has done notably well in the past quarter, as recently foreshadowed in this column. Earnings come out at a net \$141.2m (£59m) equal to \$2.22 per share on the capital increased by the issue of 5.4m shares in April for the acquisition of the remaining 63 per cent of Resario Resources and for preferred stock conversions.

ducer, Capada's Inco. has Suffered a sharp reversal in the

second quarter and with unsold

nickel stocks now up to 104m lbs again — the same level as a year ago — the group says that "steps have been taken and

others are under consideration

to reduce production in accord-

ance with the company's policy

to maintain a prudent balance

Second quarter earnings have fallen to U.S.\$46.1m (£19.4m), or 53 cents per share, from the

record \$97.5m in the first quarter. The resulting first-half 1980 total of \$143.6m goes against

only \$16.6m in the same period

But during the major part of

the latter period Inco's earnings were hit by the long strike

which halted production of copper and nickel at the com-pany's important Sudbury.

However, Inco is maintaining

its latest quarterly dividend at

the increased rate of 18 cents

which was set in the first quarter

of both nickel and copper and lower prices for the latter metal.

In addition, the weak U.S. dollar

made for currency exchange losses while the Inco Electro-

battery and electric motor division suffered an more toperating loss in line with the prices.

production

hetween

deliveries.

of last year.

Ontario, operations.

**But declining Inco** 

to cut production

natural resource \$167.6m in the first half of 1979

Mr. Pierre Gousseland, chairman of Amax, commented that the latest first half results were "attributable to strong earnings from diversified operations and our ongoing capital investment programme which has provided the company with new and modern plant and equipment." They also benefited from the

inclusion of results from Rosario. He added that Amax sales for the first half of this year rose to \$1.600 from \$1.300 in the same period of 1979 mainly as a result of higher molybdenum coal and copper deliveries Thanks to continuing high income from moly and the oil and gas interests; Amax still hopes to achieve a new earnings record this year, but matters are not being helped at the moment by Earnings for the first half of the U.S. copper workers strike.

Increased losses of \$22m were

sustained at the Indonesian and

Guatemalan nickel operations. Inco's total deliveries of nickel

200m lbs. The lower sales in the

past quarter partly reflected con-

sumers drawing upon their own

**Renison plans** 

THE TASMANIAN tin producer Repison, part of the Consoli-dated Gold Fields group, plans a

capital reconstruction after boosting profits and dividends for the year to June 30. Net

profits rose by 13 per cent to A\$25.7m (£12.9m) from A\$22.7m.

and the dividend is being raise

to A\$1.35 a share from A\$1.20

reports James Forth in Sydney. The directors plan to solit the

shares on the basis of two share:

for every one held. A scrip issue will then be made on the basis

Industrial trouble in the final quarter resulted in lower tir

output for the year, but this was more than offset by buoyant tin

with 230 shares

scrip issue

#### Bell Group of Australia is now seeking the approval of the Takeover Panel for its partial bid for Rolls-Royce Motors Heldings and has also appointed Barclays Merchant Bank as its

financial advisers.
This follows the panel statement on Wednesday that Bell has announced its 85p a share offer without the Panel's prior approval. Vickers has already made an agreed \$38m bid worth around 70p a share for the whole of Rolls-Royce Motors.

Bell, whose interests span transport, television and newspapers, already owns 3.9 per cent of the company and is now bidding for a further 21.1 per cent "as a long-term investment

in Rolls-Rayce."

Bell's bid is subject to the Bell's hid is subject to the Vickers offer not going through and has aiready been rejected by Polls-Royce. Bell also needs the agreement of Rolls-Royce to allow it to become a shareholder under the discretionary provisions in its articles relating to foreign ownership.

Bell said in a statement made through its new advisers that it sor less than a controlling interest so that Rolls-Royce could remain British "in nature and control," maintain its existing traditions, and ensure the continuation of its name.

The panel's earlier statement said Bell's initial bid announce ment left out material information needed under the Takenver Code: Yesterday Bell said that it had enough money to make its bid and had the formal agreement of the Reserve Bank of Australia. in the past quarter fell to 87m lbs, making a half-year total of

KIO-HAY'S WHARF UNCONDITIONAL The Kuwaii Investment Office offer for the ordinary shares of Hay's Wharf has become uncon-

KIO held 7.02m shares before the announcement of offers and has purchased a further 3.83m shares in the market bringing its total holding to 10.85m shares (50.5 per cent).
The formal offer document will

be posted next week. DCM TOYS

A consortium including County Bank, Industrial and Commercial Finance Corpora-tion, Mr. Richard J. Beecham and international interests has acquired from the Dunbee-Combex-Marx group receivers the businesses of Pedigree Dolls and Toys, Combex and Burbank Toys, for an undisclosed sum. of three new shares for every 20 held. A holder of 100 shares at present will therefore end up They will be formed into a new

company, Tamwade. Renison expects to pay dividends of at least 50 cents a share on the new capital struc-CHARTERHOUSE/ KEYSER ULLMANN The offers by Charterhouse Japhet on behalf of the Charter-house Group for Keyser Uilmann

COMPANY ANNOUNCEMENT

in terms of ten (10) sen shares.

shares of ten (10) sen shares.

the purchaser.

Malayan Tin Dredging (M) Berhad

(Incorporated in Malausia)

RESTRUCTURING OF CAPITAL

Extraordinary General Meeting held on 21st July, 1980 were duly passed and the capital of the Company has therefore been increased to 300,000,000 shares of ten (10) sen each

New certificates expressed in terms of ten (10) sen shares

New certificates expressed in terms or ten (10) sen suares:
will be available for despatch to Shareholders within fourteen
(14) days upon receipt of your old certificate(s) and YOU ARE
REQUESTED TO COMPLETE AND RETURN THE ENCLOSED
FORM IMMEDIATELY TOGETHER WITH YOUR OLD SHARE.
CERTIFICATE(S), TO THE REGISTRARS AT THE ADDRESS
INDICATED IN ORDER TO FACILITATE THE EARLY:
LISTING AND QUOTATION OF THE NEW SHARES. Appli-

cation for the listing and quotation of the new shares will have been submitted by the time you receive this notice.

will continue to be accepted for exchange purposes for an indefinite period, SUCH CERTIFICATES WILL CEASE TO

BE VALID FOR TRANSFER PURPOSES AFTER 26TH AUGUST, 1980 and transfers after that date will buly be accepted if accompanied by the new certificate(s) expressed

One new certificate will be prepared in respect of each holding and shareholders may split their certificates if they so wish subject to payment of the requisite stamp duty (not applicable to Shareholders on the U.K. Register) provided that any request for splitting is received before 26th November.

To facilitate the exchange of certificates and to maintain an orderly market in the shares of the Company, syrlications

will be made to The Kuala Lumpur Stock Exchange. The Stock Exchange of Singapore Limited and The Stock Exchange London, for voluntary suspension of trading from 14th August 1980, until the fisting and quotagida of the new Japanes of ten (10) see charges

MEMBERS ARE REQUESTED TO ENSURE THAT, IN FUTURE, SHARES IN THE COMPANY ARE CORRECTLY DESCRIBED IN TRANSFER DEEDS AS, "SHARES OF TEN (10) SEN EACH FULLY PAID."

should consult your Stockbrokef. Bank Manager, Solicitor, Accountant or other professional adviser immediately. If you have sold all your shares, please hand this letter, and its accompanying form to the purchaser or to the Stockbroker or Bank through whom the sale was affected for transmission to the purchaser.

If you are in any doubt about the action to be taken you

Although certificates expressed in terms of \$1.00 each

The resolutions set out in the Notice convening the

unconditional in all respects an remain open for acceptance until further notice. Acceptances of the offers have

been received in respect of 46.88m KUH ordinary shares 46.88m KUH ordinary shares.
(91.2 per cent) and 75.280 KUH
preference (75.3 per cent).
Charterhouse will, in due
course, exercise powers to
acquire compulsorily any ontstanding KUH ordinary shares.

#### 'Unwelcomed' approach for Higgs & Hill

Higgs and Hill, the building group, has had an "unacceptable" bid approach from a UK company, but talks are still going on in an attempt to design an acceptable set of proposals; the company said yesterday. been formulated in terms of an official offer and the Higgs and-Hill board is not making the unnamed suitor's task any easier by claiming its approach is

unwelcome. Meanwhile, bolders of the convertible loan stock are reminded that the last day for exercising their conversion rights is July 31. They should not let the date pass, the board warns, as any future bidder need not be bound to make an offer to loan stock holders based on their existing

conversion rights.

In the market Higgs and Hill's shares rose 241p to 92p. Apart from Prudential Assurance, which owns 6.2 per cent, the board knows of no significant outside interest in the company.

GREYCOAT'S £1.2M PROPERTY DEAL Greycoat Estates says con-tracts have been exchanged for

the acquisition from Forte and Co., Legal and General Assurance Society and First Palace Securities of their respective interests in 193-207 (odd) Victoria Street, Landon, The property, which is fally let, has an overall frontage 16 Victoria Street of about 163 feet, with shops on the ground and basement floors, and four tioors above, used as offices. predominantiy

The property offers future prospects of modernisation or long-term development. The consideration payable by Greycoat amounts to £1.22m and will be satisfied upon completion by the allotment to the vendors

of £874,890 Greycoat new ordinary of 10p each. All of the new shares to be allotted to the vendors have been placed conditionally by Rowe and Pitman.

# Cominco turndown

ture.

Canada's Comineo reports by reduced production econd-quarter earnings of copper and zinc. Investi second-quarter earnings of copper and zinc. Investment CS34.5m (£12.6m) which makes income increased, and higher a total for the first half of this year of \$94.6m, or \$5.30 per share compared with \$93.9m in the first half of 1979, reports John Soganich from Toronto. Mr. M. Norman Anderson, the

chairman, says that "base metal markets which peaked in mid-1979 softened earlier this year as a result of the downturn in the level of economic activity, particularly in the U.S. Demand for refined lead and

zinc has fallen, but the market for lead and zinc concentrates remains firm. World stocks of the two metals, including those of Cominco, are considered to be at lower levels, and because of this it is thought that weak market conditions will not be prolonged for the producers.

Meanwhile, demand for the

group's gold and silver is expected to remain firm and higher prices have been obtained for the chemicals and fertiliser. Cominco's C\$150m Polaris zinclead project in the Arctic (90 miles from the North Pole) is proceeding on schedule towards production in 1982, and work has started to increase potash production in Saskatchewan.
Of other Canadian results,
Corporation Falconbridge
Copper (formerly Falconbridge

Copper: has lifted profits for the first half of this year to CS17.1m from CS15.7m in the same period of 1979.

have been offset to some extent

interest rates also contributed to the better earnings. Canada Tungsten Mining has

more than doubled first-half 1980 income to C\$12.7m, or C\$2.55 per share, from CS5.8m. But the lead-zinc-silver producer, Cyprus Anvil, has had a poor second quarter. Earnings have dropped to C\$3.3m, bringing the half-year total to C\$12m from C\$24.6m a year ago, owing to lower production and reduced metal prices.

#### **ROUND-UP**

An increased interim of 9 cents (4.4p) is declared by Utah Mining Australia which holds 10.8 per cent of the U.S. Utah Development, the biggest coal producer in Australia. Last year UMA paid an interim of 8 cents followed by a final of also 8 cents.

York Resources' takenver of the Toronto-based Copconda Resources Inc involves a new Canadian company. Copconda York Inc issuing two "B" class shares for each Copconda Resources and not one share as reported by the company's agency yesterday.

America's Fluor Corporation says it has been selected by Shell Oil to construct a coal The better performance has reflected higher copper, gold and silver prices, although these value of the contract was not disclosed.

#### **Expansion** at Great **Portland**

In his annual review, Mr. Basil Samuel, chairman of Great Portland Estates, is optimistic that the rent roll for the current year will approach or even exceed £12m. Last year's rent roll exceeded £10m for the first

On future developments, the chairman says that with high interest rates, it is the board's view that this is not a prudent time to be heavily involved in speculative activity. As a result, the next year or

London Othce: g Holborn Viaduct London EC17 1AJ

so is unlikely to see the group developing or refurbishing on a large scale, but the directors are still active in seeking opportunities to continue the policy of rebuilding the portfolio when possible, the chairman says. The board has already sub-

mitted planning applications for some 175,000 square feet in the City and West End and a further 75,000 square feet are in the

As reported on June 11 with a one-for-four scrip issue, revenue before tax for the year to March 31, 1980 increased from £6.09m to £7.69m. The dividend is effectively lifted to 5p (3.33p) and a maintained dividend is forecast for the current year. As at balance date, net assets employed steod at £196.15m (£189.2m) and total share-holders funds were £178.33m (£171.37m). Meeting, Cafe Royal,

#### IN BRIEF

W., September 2 at noon.

CASTINGS (maileable ironfounder)—
Results for year to March 31, 1990, already known. Shareholders funds 52.47m (£2.13m); bank overdraft £488,547 (nil). Chairman says a marked dapreciation—

dapreciation—
deterioration was seen at the baginning of May with a decrease in orders and schedules, and this has proved to be a falling off in trade generally, both at bome and abroad. Although company faces a difficult year, it is well squipped to meet both the demands of the future and competition from home and abroad.

H. P. BULMER HOLDINGS (cider, pecur, wines and aprils)—Results for H. P. BULMER HOLDINGS (cider, peculin, wanes and spirits)—Results for year ended April 25, 1980 reported July 10 in full preliminary statement. On CCA basis, pre-tax profits £2.47m (£1.92m) compared with historical £3.28m (£2.57m). Total shareholders funds £24.25m (£22.59m). Bank overdrafts and loans £11.07m (£7.25m), long-term loans £38.000 (£413.000). Mesking, Hereford, September 4, 2.30 pm.

#### Wisma Bunga Raya 152 Jalan Ampang Kuala Lumpur 0406 22nd July, 1980

Your faithfully

Secretary

· lears e

oveراري

i Profit be

gulli G

ʻ Divideni

D<sub>r</sub>reng

ZULKIFLI TALIB

By Order of the Board

ATTWOOD GARAGES LIMITED The Annual General Meeting of Attwood Garages Limited was held on July 24th at Wolverhampton, Mr. R. J. D. Attwood (Chairman)

presiding.

The directors recommend a final dividend of 0.8375p per share which is the same as last year.

The disposal of the freehold property and leasehold interests as Stafford have produced a substantial addition to our reserved also the revaluation of the freehold land and buildings which his been incorporated in the accounts as at 31st january, 1280, begin the balance sheet figures more in line with the company's true later, worth.

worth.

Coming to the current financial year, it is proving to be one of the most difficult we have experienced with high interest rates and night stock levels throughout the motor industry, this has produced extremely competitive trading for the available business.

We are taking whatever action is open to us to reduce stock level. and borrowings, but in the present climate it is impossible to fore-cast the results for the year ending 31st January, 1981. The report and accounts were adopted.

#### COMPANY NOTICES

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LTD. COMPANY LIMITED (Incorporated in the Republic of South Africa)

Notice to Holders of Share Warrants to Bearer Payment of Coupon No. 80

With reference to the notice of declaration of dividend advertised in the press on 18th July, 1980, the following information is published for the guidance of holders of share warrants to bearer

The dividend of 15 cents per share was reclared in South African currency. South African non-resident shareholders tax at 5.25 cents per share will be deducted from the dividend apable in respect of all share warrant coupons leaving a net dividend of 29.75 cents per share the dividend on bearer shares will be valid on or after 5th September. 1980 against surrender of coupon No 80 as under:—

(a) At the offices of the following continental paying agents Credit du Nord.
8 & 8 Boulevard Haussmann.
Paris 75009.
1000 Srussels. Peris 75009.

Peris 75009.

To observe the discount of the continental paying agent the disidend payment will be made in South African currency to an authorised dealer in exchange in the Republic of South African currency to an authorised by the continental paying agent Instructions repairing disposal of the proceeds of the Bayment so made must be given to such authorised cealer by the continental paying agent concerned. At the London Searer Reception Office of Charter Consolidated Limited. 40 Holborn Viaduct, London ECTP 1AJ Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa. Bayment will be made in United Kingdom currency either:

public of South Africa, payment will be made in United Kingdom rency either:

In respect of coupons lodged prior to 22nd August, 1980 at the United Kingdom currency equivalent of the rand currency value of their dividend on 26th August, 1980 or:

In respect of coupons lodged during the period 22nd August, 1980 to 27th August, 1980 to 27th August, 1980 act or 27th August, 1980 at the rand currency equivalent of the rand currency value of their dividend on 2nd September, 1980 at:

In respect of coupons lodged on or after 28th August, 1980 at the prevailing rate of exchange on the day the proceeds are remitted, through an authorised dealer in exchange in Johannesburg to the London Bearer Recettion Office.

In must be left for at least four clear days for examination and may deave weekday (Saturally excepted) between the hours of 10 a.m.

Amount of dividend doclared Loss: South African non-resident Shareholders' tax et 15% Less: U.K. Income tax at 13% on the gross amount of the dividend of 35 cents

cents 35.00 5.23 29.75 5.2\$ 24.50

For and on behalf of ANGLO AMERICAN CORPORATION
OF SOUTH AFRICA LIMITED
Landon Sacretaries
G. A. Wilkinson 40 Molborn Vladuct, EC1P 143. 24th July, 1980 NOTE: The Company has been requested by the Commissioners of Inland Revenue to state:

Under the double tax agreement between the United Kingdom and the Respublic of South Africa, the South Africa non-resident shareholders' tax application the Court africa non-resident shareholders' tax application of the dividend. The deduction of tax at the reduced rate of 15°n instead of 1st the basic rate of 30% represents an allowance of credit at the rate of 15°n.

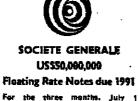


SOCIETE GENERALE ALSACIENNE DE BANQUE US\$20,060,000 Floating Rate Notes due 1991

For the six months, July 15, 1980 to January 14, 1981, the notes will carry an interest rate of 9.625°, per annum.

The Interest due January 15, 1981 29anst coupon nr. I will be US49.19 and has neen computed on the actual number of days daysed (188) divided by 360.

The Principal Paying Agent ALSACIETY GENERALE SILAY 8, REPLET. against coupon or. 5 will be SUS24.25 and has been computed on the actual number of 62vs elapsed 92) divided by 360.



For the three months, July 15, 1980 to October 14, 1980, the notes will carry an interest rate of notes will carry an 9.50% per annum. The interest due October 15. 1980

The Principal Paying Agent.
SOCIETE GENERALE ALSACIENNE

#### Notice to Holders of European Depositary Receipts (EDRs) in

NIPPON SHINPAN COMPANY, LIMITED

Further to our notice of March 25, 1980, EDR holders are informed that Nippon Shinpan has said a dividend to holders of record March 31, 1980. The Basi cash dividend payable is Yen 300 ger Common Stock of Yen 50,00 er share Pursuant to Clause 8 of the Deposit Agreement the Deposition has converted the net amount, after deduction of Japanese withholding taxes, into United States Tollars.

EDR holders may now present Coupon No. 3 for payment to the undermentioned agents. mentioned agents. Payment of the dividend with a  $15\,^{o}_{\sigma}$  withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavd of residence in a country having a tax treaty or agreement with Japan young the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

Singapore Spain Sweden Switzerland United Kingdom United States of America Zamble Arab Republic of Egypt

Amounts payable in respect of current dividend-Dividend parable less 15 ° , Japanese Withholding tax US\$11.58 US\$1.15

We are also bleased to confirm that copies of the Report of Operations the S3rd Fiscal Term inform April 1, 1979 to March 31, 1980; of Nilopon noan Co. Ltd., are now averable to EOR holders, upon application, at the ces of the Depositary and Apart at the addresses shown below. July 25. 1980

ANGLO AMERICAN CORPORATION OF <u>agge</u> SOUTH AFRICA LIMITED

Notice is hareby given that a general meeting

Notice is hareby given that a general meeting of members of Angle American Corporation of South Africa Limited will be neld at 44 Main Street. Johannasburg on Friday, August 15, 1980 at 11h15 or immediately following the annual general meeting which has been convened for 11h00 that day, whichever is the later, for the purpose of considering and, if deemed fit, of gassing, with or without modification, the following ordinary resolution in terms of the Companies Act, 1973, as amended:

That the maximum number of directors to terms of clause 90 of the Corporation's articles of association be and it is hereby intreased from twenty-five (25) to thicty (50)."

The Head Office and United Kingdom, orginary share transfer registers and the ordinary section of the register of members of the Corporation will be closed from August 11, 1980 to August 15, 1980, both days noticise. Holders of share warrants to bearer who are desirous of attending in serson or by prays or of voting at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, social and vote in his stead. A proxy need not be a member of the Corporation. Proxy forms must be fodged with the Corporation's transfer a proxy to attend, social and vote in his stead. A proxy need not be a member of the Corporation. Proxy forms must be fodged with the Corporation's transfer accretances not late, than 15h30 an Wednesday. August 15, 1980.

Managing Secretary Notice of General Meeting

Transfer Secretaries: Consolidated Share Registrars Limited 52 Marshall Street Johannesburg 2001 (P.O. Box 61051 Marshalltown 2107)

SPARBANKERNAS BANK

Charter Consolidated Limited P.O. Box 102 Charter House, Park Street. Ashlord Kent TN24 8EQ

USS20,000,000 81% Bond Issue 1976 (79-83) -459 173-

Notice is hereby given that pursuant to paragraph 4 of the terms and conditions the redemption instalment as per September 1, 1990, will be withdrawn from the Sinking Fund Therefore, a drawing by for of bonds will not be affected this year.

The outstanding amount after redemption as per September 1, 1990, will be US\$12-500,000.

SPARBANKERNAS BANK.

FROM TURNOVER up 31 per cent to £309.63m, profits before tax of Cawoods Holdings rose 42 per cent from £9.45m to £13.4m in the year ended March

With profits in the first six months showing an increase from £3.54m to £5.4m, the directors said the second half had started well and record results were expected for the year.

Earnings per share at the yearend are up from 11.71p to 21.15p and a final dividend of 2.1p effectively lifts the total from 2.773p

The group has changed its accounting policy for deferred tax so that provision is made for only that amount of tax which is expected to become payable in the near future. Comparative figures have been adjusted.

The group's interests comprise distribution. builders' supplies, road materials, refrac-tories, shipping services and

an impact on its figures than it did last year, when a 42 per cent rise in historic cost profits before tax was reduced to a gain of under a quarter on a current cost basis. Margins are coming cost basis. Margins are coming under pressure in areas like oil products and refractories, and Cawoods is having to fight hard for an increased share of a smaller market for aggregates. Against this, the company retains an extremely strong halance sheet: it still has cash in the bank after an investment of some ITm in leasing equipment. some £7m in leasing equipment last year. And although the yield is only 2.4 per cent at 208p, the fact is that around half the current market capitalisation is covered by the shareholding in LSMO, which is not yet producing income. And Cawoods has underwriting commissions and expenses amounting to \$28.72m. Some \$1.75m will be applied

#### Gas venture by National Carbonising

Shareholders of the National Carbonising Company, which is changing its name to NCC Energy were told at yesterday's annual meeting of a planned investment of £200,000 in a new company. Energy Sources (Northern Ireland), which is committed to exploring for gas an area ground Rathlin Island, under an exploration licence.

Mr Graham Ferguson Lacey. Mr Graham Ferguson Lacey, chairman, told the meeting that preliminary geophysical surveys had encouraged the company to take 26.7 per cent of the Northern Bank Development Corporation's placing of 7.5m

10p shares.
Mr. Ferguson Lacey added After another excellent per-formance in 1979-80. Cawoods control of an operating energy company, which would be self-

The board is also involved in negotiations in Australia and Hong Kong which may lead to the acquisition of effective control of a quoted company in both

#### Sceptre completes shares sale

Sceptre Resources, indepen-dent Canadian oil exploration company, has completed the CS30m sale of 1.2m 7 per cent series 'A' convertible preferred shares, the net proceeds after

formidable dividend paying to the partial redemption of power, with a current cost cover of 2.5 after a full tax charge.

Cas venture

to the partial redemption of preferred shares issued by subsidiaries, and the balance will be added to the company's working capital to be used for anticipated capital expenditures. The directors forecast these to be \$21m for the nine months to December 31, 1980, and \$22m during the 1981 calendar year, compared with \$9.7m during the March \$1, 1980, year.

Sceptre has a 45.4 per cent interest in Candecca Resources.

#### S. Gibbons **Board further** strengthened

Mr. Howard Fraser, hecame deputy chairman of Letraset following the resig-nation in February of Mr. Jerry Waters, is now himself "relinquishing " the position. An announcement by the com-pany vesterday said that he intends to devote himself more to his executive responsibilities as chairman of Stanley Gibbons International, the specialist stamp group taken over by Letraset some 18 months ago. The move represents further strengthening of the Gibbons board. In March, Mr. Dennis McDonald became a director and replaced Mr. Waters as chief

McDonald was previously with McKinsey and Company, the management consultants. Mr. Fraser will remain on the main board of Letraset but his position as deputy chairman will now be filled by Mr. Robert Calman, the American director. Letraset's preliminary figures for the year to April normally appear at the end of July. Pre-tax profits for the six months to October increased from £5.2m to £6.3m. Gibbons contributed

£1.4m at the operating profit

operating officer and also went on the parent board. Mr.

#### **BOARD MEETINGS**

year's timetable.

TODAY

Interime: A C Care, Concord Rotafley
Howard Machinery, Midland Bank,
Plastic Constructions.

Finals: John Brown, Bort Boulton,
Elbiet, Grosham House Estate, Harold
Ingram, A. Monk, R.F.D., William
Sommerville, Stirling Knitting, F. H.
Tomkins

Asranson Bros	Aug. (
River and Mercantile Trust	July 31
River Plate and General Invest-	-
ment Trust	July 31
Smallshaw (R.) (Knitwear)	Aug. (
Transport Development	Aug 11
Finals-	-
A.A.H	Aug, 4
Balhaven Brewary	July 25
Blackman and Contad	July 30
Cray Electronics	Aug. 1
Gresham Investment Trust	July 28
Jacksons Bourne End	Aug. 4
Jacksons Bourne End Longton Industrial	Aug. 7
Rosgill	Aug. 13

#### **Hunt Chemical** income falls at six months

totalled Sales

#### REPORTS TO MEETINGS

# Sluggish demand in UK for Metal Box

and chief executive of Metal Box told yesterday's AGM that at home the year had begun dis-

There were a number of obvious reasons. The offermath of the steel strike badly affected the figures for April and part of May. Subsequently, the extremely poor summer weather had depressed the sales of beer and soft drinks. Destocking which was taking place throughout the economy was also play-ing its part, and had particularly affected the group's central heat-

All in all the picture was one of sluggish demand and the immediate outlook in the UK was uncertain.

Overseas sales and profit to date were ahead of last year and were in line with forecast. At this juncture he could see no reason to suppose that forecasts for overseas operations would

Prospects in the current year were "more satisfactory than last year" according to Mr. Roland Shaw, chairman of Premier Consolidated Oilfields. Mr. John Downing said that, despite difficulties, group

the oil exploration company.

Mr. Shaw added that given last year's after tax loss of £175,000, an improvement for Premier "doesn't mean that much." But finance director Rupert Lascelles

The chairman said a second well would be spudded in August obtaining the right kind of work in the Monument Creek area in at economic prices. Utah. Commenting on Premier's

fraction.

despite difficulties, group prospects for the eighties were encouraging.

He warned that the group would face difficult trading unance director Rupert Lascelles indicated he thought Premier would make a small after-tax profit this year. would have increasing difficulties

Utah. Commenting on Premier's participation in Seventh Round bidding consortia, he stated the total cost of drilling a well in the North Sea amounted to \$7m. of which Premier would pay a premier would pay a present of fewer modified as a result o The well drilling companies modified as a result of fewer

He also told holders not to orders. focus on any single drilling The chairman of Readicut project. "One of the big mistakes being made in the City of reported that during the first

ood or bad."
in all costs and the strength of
At Beechwood Construction. sterling, the competitiveness of group products overseas had continued to fall. profitable exports very difficult particularly for subsidiaries supplying floorcoverings, fibres and furnishing fabrics.

Rationalisation was under way throughout the group. At some locations this had entailed a reduction in work forces and by the end of September this was likely to have involved some 730

Mr. Croset said he would be surprised if there was much upturn in demand before the

Gas appliance sales were show ing some signs of revival, re-ported Mr. Michael Montague of facturers. Contraction in demand appeared to have bottomed out,

Because of the sales pick up Valor employees at Birmingham would return from a three-day in a five-day week after the summer holidays. And at Liverpool the workforce there would increase its working week from three to four days. In a statement on long-term

policy Mr. Montague said Valor had decided it wise to commit a modest proportion of cash flow to energy exploration and immediate revenue earning oil investment.

"We are pursuing several possibilities in the U.S., and UK, where we have joined where we have joined experienced consortia who are applying for Seventh Round licences." he stated.

Mr. T. F. Honess, chairman of Butterfield Harvey, expected current year results to exceed those of last year. First quarter sales were mar-

ginally up on last year which implied a reduction in real terms.
In the second quarter, however,
turnover should exceed the corresponding period, which was affected by the national engineering dispute. Members of Braby Leslie were told by Mr. John S. C. Chandler

that the year would be a diffi-cult one for the industry. How-ever, the wide spread of group activities ensured it would be among the early beneficiaries when an economic upturn occurs Meanwhile, the group enjoyed

a financial position which would enable it to ride out present

pressures.

Mr. M. G. Falcon, chairman of Pauls and Whites said trading conditions in the first quarter of the current year had been even more difficult than 12 months. months ago. Nevertheless, investments in new plants and modernisation enabled the group to continue to improve its service to customers at highly com-petitive prices and to further develop its business in the animal

feed and malling sectors.

Compared with earlier occasions Forness Wilby's annual general meeting—its last as a public company—was very poorly attended. No questions were asked, the three new directors, Mr. C. H. Tung, Mr. C. C. Tung and Mr. Morley L. Cho, were al! unanimously re-elected, and Mr. Brian Snaw, the chairman. ended the proceedings by pro-Posing a vote of thanks to the shareholders. "This company has been very well served by its shareholders." said Mr. Shaw.

He said that a notice compulsorily acquiring the few remaining share would be sent out early next month and by September Furness Withy

should be completely owned by the Hong Kong based, C. Y.

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based meinly on last year's timetable.

FUTURE DATES

Astonson Bros	Aug. t
Rivet and Mercantile Trust	July 31
River Plate and General Invest-	
ment Trust	July 31
Smallshaw (R.) (Knitwear)	Aug 6
Total Committee of the	aug.
Transport Development	Aug 11
Finals	
A.A.H	Aug. 4
Balhaven Brewary	
Dischmen and Control	70.7
Blackman and Contad	
Cray Electronics	Aug. 1
Gresham Investment Trust	July 28
Jacksons Bourne End	
Leasten Ladoussial	700
Longton Industrial	
Rosgill	Aug. 12
Smith (David S.)	
Chitte:   Passa Q./	~ my. '

Pre-tax income of Philip A. Hunt Chemical Corporation, 53.5 per cent owned subsidiary of Turner and Newall, was down from U.S.\$3.77m to \$3.2m for the second quarter of 1980 to leave the figure for the first half of the year behind at \$6.07m, compared with \$7.23m.

(S52.33m) for the six months and after tax of \$2.54m (\$3.36m) earnings per share are shown as

62 cents against 68 cents.

Operating profit for the second quarter. of \$2.72m against \$3.68m, was adversely affected by high manufacturing costs resulting from start-up processes at Berea, Ohio, and St. Niklaas. Belgium, along with the continuing increase in general operating expenses, the directors state—operating in-come for the half year was \$5.83m (\$7.35m).

# Bullough down £0.36m and Downturn lower second half seen

came out lower than in the same period of the previous year, Profits, before tax, fell from £2.78m to £2.42m for the six months to April 30 and it is anticipated that the second-half

figure will be down on that now reported. A record £5.4m was achieved in the last full year. Since April, most group companies have been experiencing the further general decline in demand for manufactured goods and the severity of the recession has been greater than expected, the directors explain.

In the first half most group companies achieved satisfactory results, but two exceptions which reduced profits by nearly £275,000 were Midland Electro Plating and Druce Group.

Midland Electro has been sold

since April 30 due to falling demand and its previous profit performance. Druce is, for the time,

AS FOREWARNED in January, time being, concentrating on its emerged at £1.52m, compared prestige furnishing operation with £1.65m. Dividends again and has closed down its activities absorb £387,000. in the manufacture and sale o

KD contract furniture, which had become extremely depressed and unprofitable. These actions will remove two major drains on profitability, the directors state.

Bredon Hydraulics, a small Bredon Hydraulics, a small subsidiary, was sold in April to the JCB Group since it was recognised that progress to sustained profitability would be more quickly achieved within an organisation with international outlets to the construction industry. industry.

maintained at 4.2p net per 20p share—last year's final was 6.55p. improved from £23.77m to £25.28m. Tax charge was £0.9m

St. Andrew revenue rise

at halfway After tax of £225,395, against £182,213, net revenue of St. Andrew Trust, investment con-

Andrew Trust, investment concorreductly achieved within an arganisation with international butlets to the construction industry.

The interim dividend is being maintained at 4.2p net per 20p share—last year's final was 6.55p.

Turnover for the six months improved from £23.77m to the final of not less than 3.5p (3.35p)—last year there was also a 1p nou-recurring nayment the total— (£1.09m) and after an extra recurring payment, the ordinary debit of £42,000 last dividend being paid time. attributable profits revenue of £830,000. total-

# at Stroud Riley Drummond

AFTER seeing pre-tax profits AFTER seeing pre-tax pronts down at halfway from £222,000 to £115,000. Strond Riley Drummond, spinner and textile manufacturer, fell into a loss of £62,000 for the year to March 31, 1980. After an unchanged interim of 0.5p, the final dividend is omitted. Last year a net total of 1.5p was paid on profits of £406,000.

of £406,000. Turnover for the year was turnover for the year was down to £7.31m (£7.9m). Depre-ciation accounted for £175,000 (£155,000). There was a tax charge of £132,000 (£180,000),

In response to the rights issue of 6,986,336 shares by Charterhall, acceptances were received in the UK and Australia for 6,253;137 shares (89.5 per cent). The balance of per cent). The balance of 733,199 new shares have been placed by the company's brokers, Carr Seabag and Co.



#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

US \$ 300,000,000

10 1/4 % NOTES OF 1980, DUE JUNE 15, 1987

BANQUE DE PARIS ET DES PAYS-BAS

COUNTY BANK LIMITED

DAIWA EUROPE N.V.

MORGAN STANLEY INTERNATIONAL SALOMON BROTHERS INTERNATIONAL:

SWISS BANK CORPORATION (OVERSEAS) LIMITED

UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

S.G. WARBURG & CO. LTD.

Atahli Bank of Kuwait (K.S.C.) Abu Dhabi Investment Company Amsterdam-Rotterdam Bank N.V. Bank of America International Limites Bank Mees & Hope NV Bank of Tokyo International Limited Bankers Trust International Limited Banque Arabe et Internationale d'Investissement (B.A.I.I.) Banque Bruxelles Lambert S.A. Banque Française du Commerce Extérieur Banaue Générale du Luxembourz S.A. Banaue de l'Indochine et de Suez Bañaue Internationale à Luxembourz S.A. Banaue Nationale de Paris Banque de Paris es des Pays-Bas N. V. Banque de Paris et des Pays-Bas Belgique S.A. Barque de Neu Tize, Schlumberzer, Mailet Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembosay S.A. Banque de Paris et des Pays-Bas (Suisse) S.A. Banque Populaire Suisse S.A. Luxembourg Banque Privée de Gestion Financière - B.P.G.F. Banque de l'Union Européenne Banque Worms Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Baverische Landesbank Girocentrale Barclays International Group

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Crédit Lyonnais Crédit Industriel et Commercial Dei-Ichi Kangyo International Limited DBS - Daiwa Securities Internat The Development Bank of Singapore Lin Development Finance Corporation of New Zeals Effectenbank-Warburg Aktlengen Dominion Securities Limited Dresdner Bank Aktiengesellschaft

European Banking Company Limited Finacor First Chicago Limited Fuji International Finance Limi Gefina International Limited Glrozentrale und Bank der Osterreichischen Sparkassen Aktlengesellschaft Goldman Sachs International Corp. Hambros Bank Limited Hill Samuel & Co. Limited [B] Inter Intra Investment Co. S.A.L.

Groupement Privé Genevois, S.A. International Mexican Bank Limited - INTERMEX -Istituto Bancario San Paolo di Torino Kansuliis-Osake-Pankki Kidder, Peabody International Limited Iardine Flemine & Company Ltd.

Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kuhn Loeb Lehman Brothers International Inc. Kuwait Financial Centre, s.a.k. Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Investment Co. s.a.k. Kuwait Investment Company (S.A.K.) Lazard Brothers & Co., Limited Lazard Frères et Cie Lloyd's Bank International Limited LTCB International Limited McLeod Young Weir International Lunited Manufacturers Hanover Limited Merrill Lynch Inte Morgan Grenfell & Co. Limited Morgan Guaranty Ltd.

Samuel Montagu & Co. Limited National Bank of Abu Dhabi Nederlandsche Middenstandsbank N.V. The National Bank of Kuwait S.A.K. Nederlandse Credietbank N.V. Nesbitt, Thomson Limited The Nikko Securities Co., (Europe) Ltd. Norddeutsthe Landesbank Girocentrale Nomura Europe N.V. Orlon Bank Limited Osterreichische Länderbank Aktiengesellschaft Plerson, Heldring & Pierson N.V. PKbanken Investments Limited Privatbanken Aktieselskab N.M. Rothschild & Sons Limited The Royal Bank of Canada (London) Limited

J. Henry Schröder Wazz & Co. Limited Shearson Larb Rhoades International Limited Skandinaviska Enskilda Bankes Smith Barney, Harris Uphom & Co. Incorporated Société Générale Société Générale Alsacienne de Banque Société Générale de Banque S. A. Société Séguangise de Bangue Soditic International S.A. Sourbankernas Bank Sumitomo Finance International Sun Hung Kai Finance Co. Ltd. Union Bank of Finland Ltd. Union de Banques Arabes et Frênçaises - U.B.A.F. Versins- und Westhank Aktiennesellschaft J. Vontobel & Co. Warburg Paribas Becker Wardley Limited



#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

US \$ 200,000,000

9 3/4 % NOTES OF 1980, DUE JUNE 15, 1985

BANQUE DE PARIS ET DES PAYS-BAS CAISSE DES DEPOTS ET CONSIGNATIONS

COUNTY BANK LIMITED DAIWA EUROPE N.V. KUWAIT INVESTMENT COMPANY (S.A.K.) MORGAN STANLEY INTERNATIONAL

SALOMON BROTHERS INTERNATIONAL SWISS BANK CORPORATION (OVERSEAS) LIMITED UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

#### Y J LOVELL (HOLDINGS) LTD INTERIM STATEMENT FOR HALF-YEAR TO 31 MARCH 1980

The results of the Lovell Group for the half-year to 31 March 1980:
6 months to 31.3.80 6 months to 31.3.79 12 mths. to 30.9.79

	Turnover	Trading Profit	ading Turnover		Turnover	Trading	
	£000	€000	€000	Profit £000	£000	£000	
Construction & Related Activities Timber Division	59,425 7,107	764 175	44,019 5,755	665 150	100,191 12,471	2,265 350	
Less Inter-company sales	66,532 3,830		49,774 2,538	=	7.654		
	62,702		47.236		105,008		
Group profit before taxation		939		815 ====		2,615	

The Directors are pleased to report that the Group shows an improvement of 15% in profit before tax over the first half of last year despite the adverse economic climate. Whilst trading in the second half has been satisfactory to date, continuing high interest rates and extremely competitive conditions cause the Directors to view the short term prospects with

An interim dividend of 2p per share (1979 1.5p) payable on 1 October 1980 to Ordinary Shareholders on the Register on 15 August 1980 in respect of the year to 30 September 1980

Lovell

1979

10.5p

1.8931p

£13,252,000

£1,226,000

Years ending 31 March

24 JULY 1980

Turnover Profit before tax Earnings per share

Dividends per share

(Dividend for 1980 paid on capital as

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FT257

doubled by the scrip issue in 1979.) For a copy of the Report and Accounts post the coupon below

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1980

14.5p

1.8931p

£17,823,000

£2,332,000

pr con gen ecc he

NORTH AMERICAN NEWS

# Losses continue at Pan-Am

BY IAN HARGREAVES IN NEW YORK

PAN AMERICAN WORLD AIR- tion on key routes and some verse but still produced net WAYS yesterday reported its regulatory restrictions on raisthird successive quarterly loss ing prices have kept price \$43.7m last year. Sales were up as it struggles to consolidate its merger with National Air- the airline's costs. lines at a time of higher costs and weakening demand in the

The company reported a net loss of \$66.3m for the second quarter, taking first-half losses to \$141.2m. compared with combined profits in the first half of last year of \$10.5m for the two

the second quarter of \$572m were up by a respectable 13.5 per cent, but intense competi- quarter, Delta suffered a re- by its United Airlines sub- \$1.43bn.

increases lagging well behind from \$682m to \$813m.

announced earlier this year that sales of \$2.43bn last year. would sell its landmark New York building on Park Avenue, combined with the proceeds The company said yesterday from aircraft sales have allowed that a further announcement about a possible sale would be made shortly. Delta Airlines, whose main

airpot is Atlanta and whose Pan Am's huge losses are in traffice is predominantly in the spite of its reasonable success economically stronger Sunbelt to reduce its net operating losses competing for traffic in recent region, has again underscored months. Operating revenues in its position as the financially strongest of the major carriers.

For the fiscal year. Delta As part of its efforts to earned \$93m on sales of \$2.96bn. strengthen its liquidity. Pan Am against income of \$137m on

A substantial tax windfall UAL, the U.S. airline and hotel group, to report net earnings of compared with a net loss of \$47.3m last year.

The company also managed ing aircraft. largely as a result of a sizeable or \$1.54 a share, to \$15.5m. or increase in the number of 53 cents. Revenues for the six In its just completed fourth revenue passenger miles flown months were \$2.4bn against

sidiary. Revenue in the second quarter more than doubled to \$1.23bn from \$465.2m last year when United was hit by a 58-day strike. Earnings per share came out at 83 cents compared with a \$1.61 loss.

Mr. Richard Ferris, president and chief executive, said that the second quarter's consolidated earnings included a \$26.1m adjustment to income tax provisions resulting from \$24.76m in the second quarter, the re-evaluation of the company's tax rate for the full year and \$17.3m in gains from sell-

After six months UAL's net to \$23.9m from \$151m last year, loss had been cut from \$44.38m.

**Engine loss** By Our Financial Staff

**Cummins** 

CUMMINS ENGINE said its loss of \$13.1m for the second quarter compared with a profit of 88m a year earlier was analysts had expected. Net caused by a sharp decline in income was \$688m against U.S. sales of heavy-duty trucks, \$418m in the same period last lower demand in international year, while sales advanved 43 industrial equipment markets and foreign exchange

5 per cent to \$431.1m

After a first quarter profit of \$2.65m the company reported a \$1.25 a share, on sales of \$842m against profit of \$30.0m, or \$3.61 a share, on sales of \$903.7m a year earlier.

Foreign exchange losses of \$12.8m in the second quarter and \$10m in the first half in both periods a year earlier.

The company expects third quarter operations to be adversely affected by holiday shutdowns and a further reduction in demand.

It said fourth quarter demand should stabilise production and it should benefit from an 8.9 per cent price increase on U.S. : engines. Depressed

equipment and housing markets; transportation, environmental showed an improvement the were blamed by Borg-Warner services and distribution group, company is feeling the effects for its 26.5 per cent fall in! second quarter net profits to component, chemical and equipment manufacturer fell 5.5 per cent to \$669.6m.

#### PNOC climbs Fortune list

By Our New York Correspondent

industrial companies for 1979 tions. recorded the largest losses.

in last year's list to No. 43 this year, boosted by an eightfold increase in sales. The losses of \$600m at British Steel, which was ranked No. 50 in terms of sales, put the company at the top of the Fortune money losers listing, while troubled car manufacturer BL, with losses of \$306m. was the directory's fifth largest loser.

For the second year in a row, British Petroleum was the ranked company in second of sales, after Royal Dutch/Shell group. Petroleum Dutch/Shell group. Petroleum the \$49.15m profit in 1979. companies in general, propelled Revenues for the quarter were by oil price rises, led all other industrial sectors with a median sales increase of 41.2 per cent. Italy's ENI moved to the No. 4 spot from No. 10 last year, while Française des Petroles went from No. 11 to No. 6.

Oil profits rose even more robustly than revenues. The industry's median increase in profits came to 72.6 per cent, with the leading profit makers being Royal Dutch/Shell, British Petroleum and Petroleos de

U.S. QUARTERLIES

351.0m 250.6m 11.35m 17.65m

0.90

17.65 cm 1.41

703.9m 44.38m 3.54

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Rate of 93/4 per annum.

BLUE BELL

# Mobil earnings advance strongly

BY CARLA RAPOPORT IN NEW YORK

MOBIL CORPORATION, the prices, as well as increased earn. \$52.6m a year ago.

Second largest U.S. oil company, ings from Mobil's manufactur. Net income from Marathon's second largest U.S. oil company. has reported a second quarter ing and marketing operaions.

earnings increase of 64.6 per Earnings per share for the cent. slightly higher than per centto \$15.3bn from \$10.7bn.

Mr. Rawleigh Warner, the The diesel engine manufacturer's sales in the quarter fell energy earnings for the U.S. company jumped 88 per cent to \$1.07bn, primarily as a result of higher inventory profits. The rest of the gain was mainly the Ne income for the quarter result of higher prices and was \$108.3m on sales of \$2.04bn increased volumes of North Sea against last year's net income crude oil and Indonesian liqui-

> The company's domestic earn-5638m thanks to increased ex- period came from its U.S. operploration and production earn-ations, which nearly doubled to \$1.248bn from \$804.9m last ings from higher natural gas net income to \$106.9m from year.

ings from Mobil's manufactur-Earnings per share for the

second quarter were up to \$3.24 from \$1.97 a year earlier. Firsthalf earnings came out at \$1.99bn, or \$9.38 a share, against \$867m or \$4.09 a share, on sales of \$30.6bn against \$21.1bn. Marathon Oil, meanwhile, has

reported a 27.7 per cent increase in earnings for the second quarter, saying its recome from foreign operations had dropped back sharply.

for the quarter of \$84.8m on sales of \$1.59bn. The company said all the imings were up 79 per cent to provement in the second quarter

foreign operations plunged to \$1.4m from last year's figures of \$32.3m, mainly because of significantly reduced produc-tion profitability and higher exploration expenses. The company said that margins on refined products sold in Europe were sharply lower than the same period last year and that sales of refined products had

declined.

For the half year profits totalled \$247.4m compared with \$189.3m on sales up from \$3.06hn to\$4.3bn. Schlumberger, the U.S. oil

field services and electronics group, recorded a 46 per cent increase in earnings for the second quarter to \$234m from \$160m last year. Sales advanced

# IU International shows big rise

BY OUR FINANCIAL STAFF

transportation IU INTERNATIONAL. pushed up second quarter net operating earnings by 43.5 per \$31.5m, or \$1.47 a share. Sales cent from \$9.32m to \$13.37m by the diversified automotive and expects to do well in most operations in the second half, difficulties. However, the company says its strength in transportation seras the U.S. economy recovers.

FORTUNE MAGAZINE'S direct the second-quarter improvement previously) It's total compagn tory of the 500 largest non-U.S. were the transportation opera- for the quarter came out at where operating results has awarded disparate distinc- | reflected the recovery from the tions to two British companies strike hit period of 1979, the -while British National Oil agribusiness sector, where oper-Corporation (BNOC) made the ating profits were more than largest leap in sales of all com-, doubled to \$11.5m and the dispanies ranked. British steel tribution of operations where corded the largest losses. there was an advance of almost BNOC jumped from No. 375 \$600.000 to \$4.59m.

Although of the deregulation of the trucking industry at a time of recession in the U.S. The company is confident of riding out these

spun-off its Gotans-Larsen shipvices may only become evident ping subsidiary, disposed of the as the U.S. economy recovers. 58.1 per cent-owned Canadian per cent-owned Canadia. Second-quarter revenues were. Utilities in the second quarter. up from \$513,47m to \$547.34m giving it a \$96.15m gain. After and earnings per share ad- taking account of this and a vanced from 25 cents to 47 loss from discontinued opercents. The main contributors to tions of \$4.16m (\$9.76m nroff)

operating profits were shead 84.9 per cent from "21.35m to \$39.48m, or from 58 cents to massive gain in the first quarter from its Canadian silver mino. Revenues for the period were moved from its businesses.

transportation \$1.12bn against \$1.02bn. Its agribusiness operations

were also well up for the first again doubled from \$13.15m to \$26.76m. Although its water services operations were a little higher at \$4.89m for the second cuarter, at the half-way point they were well down from \$14.75m to \$9.49m.

Environmental services were little changed at \$11.78m for the half year with these operations feeling the effects of low production in the steel industry despite new contracts for coal burning power stations.

The company pointed out that with the absence of Canadian Utilities the effect of foreign currency translation on the com pany's results would no longer be significant and that together with the elimination of Gotaasintensive sectors had been re-

#### Inland Steel in loss and sees little improvement

largest producer in the U.S., posted a \$22.45m loss in the second quarter compared with down from \$956.2m to \$748.22m. After six months Inland's profit was down to \$4.31m against the \$74.08m achieved in

\$ 5 1.11bn 1 08bn 18.69m 80 52m 10.52 3.31

2.26bn 1.61bn 50.37m 87.15m 1.72 4.00

The company said that for the remainder of 1980 the prospects for improved market conditions were not apparent at present. but pointed out that customers' stocks were at extremely low levels and that any strengthen-in demand for end products should be reflected in an upturn

derived 63 per cent of sales and about three-quarters of proundertaking substantial capital fits from basic steel activities. Power stock

DRAVO CORPORATION

Revenue ...... Net profits ... Net per share ...

HERSHEY FOODS

Net profits ....... Net per share ..... Six months

JOHNSON & JOHNSON

Second quarte

#### Atco to renew bid for Calgary Power

By Our Financial Staff

Atco's offer, also of \$21 a share for about 57 per cent of the Calgary Power equity was due to expire yesterday.

peen delayed by a ruling on Monday by the Alberta Securities Commission barring Atco from acquiring further Calgary

NATOMAS

Revenue .. Net profits

Net profits .. Net per share

PENNZOIL

Six months

PEPSICO

Net per share Six months

Revenue Net proble Net per share Six months

\$ \$ 237.7m 244.8m 5.18m 6.01m 0.63 0.99

448.3m 432.2m

12.51m 1.34

7 3m 0.88

C.83

615 8m 527.8m

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### Xerox up 10.5% in second quarter

By Ian Hargreaves in New York

XEROX, the office equipment company, yesterday reported increased quarterly earnings. Sales have been expanding more rapidly than profits,

For the second quarter, Xerox reported net income up 10.5 per cent to \$172.9m on sales up 17 per cent to \$2.05bp For the first half, profits and sales of \$321m-up 9 per

respectively. were records for the company. This fairly strong performance has been achieved at a time when Xerox has been positioning itself to compete more vigorousiv in the market for small copiers and when it is experimenting with

new form of Xerox-owned

cent and \$3.9bn-up 16.5 per

high street stores.

The company described the quarter as "very gratifying" in view of the weak U.S. economy and said that 1980 a whole would be a

satisfactory year." in the second quarter. rental and service revenue was up 12 per cent on the year earlier quarter. Proceeds from sales of copiers and other Xerox products improved even more strongly. by 27 per cent.

The strongest areas sales had been in the Xerox 2300, 2600 and 3450 copiers, the recently introduced 5600 copier/duplicator and 8200 and 9500 high speed duplicator.

#### Kodak does hatter

than expected By Our New York Staff

EASTMAN KODAK. the

world's largest photographic equipment company, has reported slightly strongerthan-expected profits for the second quarter and forecast that the year as a whole would prove to be a good one for the сотпрану. Net income in the quarter,

at \$272.5m. was 22 per cent higher than in the same period last year, although \$14m of the total resulted from foreign currency ex-change gains and from the increased value of the company'; holdings of shares.

Sales in the quarter advanced by just over 18 per cent to \$2.13m, against \$1.8bn. In the first half net profits totalled \$488.4m, compared with \$420m, and sales were \$4.27bn. against \$3.45bn. Mr. Walter Fallon, the chairman, said that all the

сотрапу'5 divisions reported higher sales, but operating earnings had advanced more slowly than sales because Kodak had passed increases in its costs

#### Shipping boosts income at Holiday Inns

By Our New York Staff

HOLIDAY INNS, the U.S. has reported record sales and earnings for the second quarter due to a dramatic improvement in its shipping subsidiary and the continued strength of its motel opera-

Net income for the quarter was \$35.1m against 523.3m a year earlier including \$2.6m income from its Trailways bus operation which it sold it 1979. Sales for the second quarter jumped to \$395.1n

from \$276.2m last year. Mr. Roy Winegardner, chair man and chief executive officer, said that the higher profitability of the company Delta Steamship subsidiar had a favourable impact on the group's overall tax rate

13.93m 0.93

126:0m 11.74m 0.78

SMITH INTERNATIONAL

SPERRY & HUTCHINSON

Six months Revenue ...

Six months

STANDARD BRANDS

# Eurocredit for Venezuela lifted by 50% to \$1.8bn

BY PETER MONTAGNON

jumbo " Eurocredit has been increased to \$1.8bn from an original target of \$1:2bn; though it remains possible that Credit Lyonnais may drop out of the transaction because of problems associated with an earlier loan to a Venezuelan company.

The decision to raise the amount of the loan was taken late on Wednesday night at a meeting of managers in London. It followed successful syndication in the market on the basis of a split 1-1 spread over seven years. Ironically, the final amount is one which the 16 banks

originally managing the issue felt could not be achieved without a higher spread. Venezuela was offered the choice of starting out with a target amount of \$1.8bn over eight years at a flat a per cent margin or beginning with only \$1.2bn on the i-i split margin basis.
Despite its syndication

success, the credit has been dogged by problems surrounding complaints by banks over added. a series of late payments on short-term loans by Venezuelan the original managers in the in the credit.

Even at this late stage one particular problem is still outa \$13m credit standing, arranged in 1975 by Credit Lyonnais for a borrower now called CVG-Fesilven. Previously known as Venbozel, this borrower is a Franco-Venezuelan joint venture set up to produce ferro-silicone.

Payment on this credit was accelerated because of late payments while the "jumbo' credit was being arranged and Credit Lyonnais said yesterday it had still not received the around \$45m. funds due. Bank officials say that including various bi-lateral credits as well as the \$13m loan its exposure to this borrower was around \$20m.

sign the loan on time next Friday unless all outstanding of international bankers. claims on Venezuelan borrowers are made good, the officials

THE AMOUNT of Venezuela's state agencies. Proceeds of the "jumbo" transactions, credit are intended to consoli has been co-ordinated by Can date some of this short-term corp. Its maximum commitment to the credit is \$50m and bankers close to the deal sain that if Credit Lyonnais fell unable to go shead with the signing the amount of the con mitment would be deducted from the money Venezuela eventually receives.

Similar reservations to these expressed by Credit Lyamus are shared by another French hank Credit Commercial de France, with a commitment of \$35m But a third major bank Societe Générale, appears firmly committed to its portion of Credit Lybridals While.

remains the most vecal of the participating banks in insisting on a restoration of preef to Venezuela's short-term deh The bank would be unable to servicing, general roscern ha been voiced by a wide spectrum All the banks do want to

profit from the jumbo to have the foreign debt situation tidied Credit Lyonnais was one of up." said one banker involved

# Sterling Eurobond prices firm

INTERNATIONAL

bond price the bonds at a small markets were extremely quiet premium. vesterday with the sole excention of the sterling sector where the strength of the UK year bond for the Republic of currency pushed prices up by Chile was priced at 991 to 1 of a point. The next issue Indicated coupon was unchanged in this sector is expected to be at 9 per cent. The cool recep-

14 per cent and lead manager higher than those S. G. Warburg is expected to regarded in the market.

In the Deutsche Mark foreign bond sector, the DM 100m sixyear bond for the Republic of Chile was priced at 991. £15m convertible which Credit tion given to this bond issue Suisse First Boston plans to underlines, yet aggin, the fact launch next weekend for Orient that investors buying D-Mark inance. foreign bonds are only Because of its reception, the interested in acquiring paper of

subscription period for the borrowers they consider of £221m issue for Peugeot SA will prime quality. Less than prime close today, four days ahead of rate borrowers attract little schedule. The ten-year issue demand, even when they offer carries an indicated coupon of coupons more than 1 per cent 14 per cent and lead manager higher than those highly

Trading in the dollar sector trading remained at a trickle. The reduction in the prime rate of some U.S. banks by 1 per cent to 101 per cent did nothing to increase investor interest and prices of seasoned issues showed little change.

In the Yankee bond sector, Goldman Sachs will bring Interamerican Development Bank to the market for a \$100m seven vear issue.

The FFr 400m five-year issue for Sweden which carries a coupon of 121 per cent was priced at par by the lead priced at par by the lead manager BNP. The issue was

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on July 24

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\* No information available—previous day a price. I Only one market meker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount leaved is in millions of currency units except for Yan bonds where it is in billions. Change on week = Change over price a week seriler. Floating flate. Notes: Danominated in dollars unless other wise indicated. Coupon shown is minimum. C. State Date. next coupon becomes effective. Spread-liketige above six-month offered rate († three-month & above green rate) for U.S. dollars. Coupon The current. Coupon C. yid = The current yield.

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of the Financial Times Ltd., 1980. Reptoduction in whole or an part in any force not permitted additions consent. Data aupofied by Inter-Bond Scivices additing of dataSTREAM International).

# BY OUR FINANCIAL STAFF INLAND STEEL, the sixth expenditures in the past five

the first six months of 1979 and earnings per share came out at 19 cents compared with \$3.52. First-half sales totalled \$1.67bn. down from the \$1.85bn of 1979. Inland, which services the large mid-western steel consuming markets has been the consistently most profitable of the U.S. producers and has been

CHARTER CO.

years. It was profitable throughout the 1970s and last year posted net earnings of \$131m. or \$6.27 a share, on sales of

in orders for its output. The company has in the past

ATCO. Canada's largest manu-

acturer of prefabricated buildings, said vesterday that it woul dallow its offer for Cal gary Power to lapse but would make anew \$21 a share offer \*\*\*xt week as soon as the necessary documentation could be completed.

Completion of the bid had

\$ \$ 354.6m 247.6m 57.4m 25,65m

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#### Agent Bank Hill Samuel & Co. Limited. London

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HOW WE TAKE THE AGGRAVATION OUT OF EXPORT ORDERS UP TO £15,000.

# We are the only bank that offers you 90% finance on small export orders.

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With fixed interest costs.

Without recourse to you.

Without affecting your existing facilities.

# Without your holding an ECGD guarantee.

This unique scheme from Midland Bank International which helps your business and helps Britain is now even more attractive.

And it could not have come at a better time. There is money to be made right now in small export orders.

We want to help you export without aggravation, with reduced risk and with all the advantages of increasing your sales activities beyond a perhaps static home market.

# Exactly how we help you.

Apart from completing a brief agreement document at the outset all you have to do to obtain finance is to deliver to a Midland Bank Branch\*a simple lodgement form accompanied by either:

- 1. A bill of exchange (or promissory note issued by your buyer) and shipping documents;
- 2. Or, because the scheme has been extended to cover business transacted on an open account basis, your invoice showing the terms of credit given to the buyer and evidence of export.

For our part, we take out ordinary credit insurance cover directly with ECGD against the usual risks for 90 to 95% of the amount of the finance, so that the finance provided is without recourse to you so long as you fulfil your export undertakings. Therefore, the Bank

carries the 5 to 10% uncovered portion at its own risk.

Thus you can obtain finance without being involved in the paperwork of creditinsurance, and additionally without affecting any existing banking limits or facilities you have arranged.

# How you help yourself and help Britain.

There are many small companies which can increase their profits from exporting. This new improved scheme from the Midland can be just the tonic you need to boost your profits.

Thus you could increase your profits over your competitors and have the satisfaction of helping Britain's balance of payments as well.

# How to apply.

Since the scheme has been especially designed to help companies with small export orders, there is no minimum transaction to qualify. Your annual export turnover should generally be about £250,000 or less, and each transaction can be as much as £15,000.

If you do not already have a banking account with the Midland, you may apply for a facility and open an account with us. What criterion do we use for co-operating with you? A simple one-do we believe you can perform your export engagements.

There is profit to be made in small exports, so send in the coupon now or contact your nearest Midland or Clydesdale Bank Branch.

Limited.	ik, Manag Internatio	ger, Smaller onal Divisio	Exports	ports Scheme booklet, contact: s Scheme, Export Finance, Midland Bank Gracechurch Street, London EC3P 3BN. coupon to him.
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ITALIAN WHITE GOODS INDUSTRY

# Pressure mounts for Indesit rescue

THE ITALIAN Government is anxious at the repercussions for under mounting pressure to the image of Italian industry goods sector after Zanussi.

Indesit's troubles, simmering fold abruptly. for many mouths, have come dramatically to a head. Urgent talks are under way between the company and the Industry Ministry in Rome following the refusal of creditor banks to put up L54bn (\$84m) of short term credits to clear the way for a financial reorganisation

As a result about 8,000-9,000 of the company's 12,000 workers are threatened with being laid off. Moreover, if an immediate injection of funds cannot be secured, a total shutdown is Indesit has 17 factories in

essentially grouped Turin in the north and Caserta near Naples, Closure would exacerbate the extensive inemployment in southern Italy. But there are other factors which make a swift solution of the Indesit crisis essential. Indesit was one of the and diversification into other Many industrialists are deeply leaders of the boom in the products, is said to call for

rescue Indesit, the financially were a company—whose brandtroubled electrical appliances name on fridges, washing group which is the second machines and other appliances largest company in Italy's white is almost a household word in many countries — allowed to

The group's difficulties are causing considerable anxiety also for its subcontractors. In large part concentrated around Turin, they are already having to cope with a drop in business from the serious slowdown in the car sector.

Yesterday representatives of Confapi, the small industry confederation, met Sig. Francesco Cossiga, the Prime Minister, and other members of the Government to demand a speedy and lasting settlement of the Indesit crisis.

In a statement afterwards Confapi declared that 15,000 jobs around Turin and Milan were endangered. Indesit, it said, was effectively unable to meet financial obligations of L140bn towards its subcontractors.

1960s and early 1970s of Italy's total aid of I.23fbn. domestic appliance industry. According to industry officials, from a state fund for scientific however, its error was to con-research, and L50bn Time centrate on cheap down-market existing Government scheme products, which in turn have come under mounting threat while L81bn would be provide from even cheaper products as short-term liquidity originating in Eastern Europe

and Yugoslavia These difficulties have been amplified by the general overcapacity existing in Europe, falling demand, and the specific problem of the shimp in house building in Italy.

reported sales in 1979 of 1.263bn. Its beadquarters are just outside Turin, but its precise structure has never been tecnica subsidiary in Bolosa entirely clear. The company which lost £14 has a Swiss and an Italian arm, still in deficit. and is still 60 per cent owned by its founder, Sig. Armando Campione.

The shape of any rescue operation remains to be seen. Indesit's own restructuration plan, which includes manufacturing in the U.S. for the first. time, a general shift up-market and diversification into other

About Liloobn would come to help industrial adjus

In recent days it is under stood that Zanussi, Europ largest manufacturer of waits goods has turned down requests to take over Indesit. Zames indeed, is facing difficult its own. The 10-15, per decline in demand in the first Founded in 1956, Indesit half of 1980; means that the Pordenone-based group is ing to lav off 1,200 Meanwhile its Ducati Eleting which lost L14.6bit in 1979. At the same time

heavily dependent on competitivity and high costs which plague industry. Productivity at ho exchange rate has rema

Fiat plans

to extend

HE CLIMATE between Fill

The news was broken at ..

meeting yesterday between the

progress on establishing a three

lav-offs

# Swiss groups buy U.S. insurer

TWO MAJOR Swiss insurance ment and act as an "inde- gross premium income in excess group are to pay \$135m for pendent unit" within the of SwFr 3bn last year. The Fidelity and Deposit Company foreign organisations of the two group is heavily dependent on Sidelity and Deposit Company of Maryland, a subsidiary of American General Insurance.

The two Swiss companies, Swiss Reinsurance and Zurich Insurance, will take equal shares in Fidelity under a preliminary agreement reached with American General, which is one of the largest financial services groups in the U.S.

Fidelity is one of America's leading surety and fidelity in-On gross premium of about \$107m it earned \$10.5m last year and had assets of \$230.4m at year end. It will continue to operate from its Baltimore base under force in international insur- emerged from 1979 around its present name and manage-

Last year Dresdner's perform-

volume of Westdeutsche Landes-

cent ahead of the year-ago level.

At the same time assets in-

cent and 9 per cent to DM94.9bn

volume and assets, West-LB

said its earnings declined in the

half-year, due to the central bank's tight credit policy "which

led to high interest rates and

reduced the interest spread —

terests paid on deposits and

West-LB did not release full earnings figures in its interim

received for credits."

But despite the increasing

ings of 12.2 per cent or yesterday.

potential buyers.

The Fidelity and Deposit

transaction is subject to completion of a definitive purchase agreement and to regulatory approval. However, the deal is expected to be completed before the end of the year. Both Swiss companies already have a considerable stake in the

American insurance market. Last March, Zurich Insurance added to its U.S. network by forming Zurich Reinsurance of New York to operate in co-operation with Trygg Hansa, the Swedish insurer.
Second only to Lloyd's as a

ance markets, Swiss Re had a per cent ahead at SwFr 119m.

Margins fall at Dresdner Bank

THE SQUEEZE on the profit- opened a DM 300m, 32-storey ability of the West German headquarters office block in the banks has shown little sign of centre of Frankfurt, is also

easing in the first six months facing steadily rising labour of 1980. The Dresdner Bank, costs. The bank's bill for

the second largest bank in the wages, salaries and social costs

vity. currently at a post-war record
At the same time the interest level. For much of this year,

bank (West-LB) rose by 2 per earnings from interests and

cent to DM133bn (\$76bn) in the commissions rose by 14.2 per

first half of 1980 compared to cent to a gross DM3.64bn from the end of 1979 and was 8 per DM3.186bn, while interest and

creased by a respective 0.4 per from DM2.655bn, producing a

or the difference between in- cent lower than a year ago.

Federal Republic, said yester- rose by a further 5.8 per cent, DM 153bn, day that its margins had or DM 32.8m, in the first six. The bal

months to DM 597.5m.

of DM 58.1m (\$33m) and this last year's low level, although business had

Some relief for bank profit-

ance was supported by its heavy ability could be in sight later DM 73bn. Dresdner's advances

involvement in the gold market, this year if, as expected, the to other banks rose by DM 700m

been little help from this acti- key interest rates, which are ings dropped by DM 900m to

Reduced profits from West LB

DUSSELDORF - Business report. But extracts from the Westphalia and is active in

profit and loss account show that

commission costs climbed by

18.4 per cent to DM3.144bn

surplus of DM496m, down by

6.6 per cent from a year ago.

cent rise in personnel and

material costs to DM369m, the

Taking account of a 3.1 per

currently at a post-war record DM 22.2bn.

recently efforts this year, however, to growth of German trade.

trade with Europe but something like a quarter of premiums arise in North America.

instruction and trades unions worsened last night as the Turn based car group announced plans for further substantial layoffs this autimn. Gross premium income at Zurich Insurance rose by 8 per. cent to SwFr 2.8bn in 1979 and the group's North American content was broadly similar to forced by the deterioration that of Swiss Re. Earlier this car market year the company raised the equivalent of \$81.5m through a rights issue.

In terms of profits performance last year, Zurich Insurance strip its rival, lifting net earnings by 13 per cent to SwFr At Swiss Re earnings

the result that the business

shown any expansion at all

from last year's level of

The balance sheet total of the parent bank showed a signi-

ficant fall of 6 per cent to

almost all sectors of commercial

terest rates are "improving"

expectationsh for the full year.

Order inflow to the West

German textile industry rose by

5.8 per cent in May from April

out was off 10.7 per cent from

May 1979, the Textile Industry

Association reports. However,

In the first five months of

year house labour contract to upplement last year's nationa engineering and metalworker However, the main preoccup tion of the unions is the heavy planning in its workforce. The company maintains that lay-offs are essential if the group is to

come unscathed through the The additional layoffs again concern the 78,000 workers, who were idled for seven days this summer. They will be laid off for eight days, spread over a four-week period starting. September 8. All Flat car plant in Italy will be affected, except those producing the highly successful Panda utility run-about. concern the 78,000 workers, who shape its business to the pre-vailing credit conditions, with volume of the group has hardly

Afterwards union declared they totally rejected the Flat decisions, though their retaliatory action has yet

Dresdner said that despite surplus in the first six months however. Dresdner's interest uncertain conditions on the **UBS** ahead declined by 7.3 per cent. a fall surplus has been held down at stock markets, its securities in second could not be offset by a gain in there has been a small improve. markedly over last year and the surplus on commission earn- ment in recent weeks, it said there had been a further exesterday. pansion of its international The bank has made greater business in line with the quarter

By Our Zurich Correspondent EARNINGS OF Union Bank of Switzerland were generally bigher in the second quarter of 1980 than for the corresponding period of last year. Business is described as "brisk" and UBS expects a continuation of satisbanking, said that declining infactory trends in the second half of the year as long "as there is no major change in the basic economic situation." But it could not make specific

No actual figures are given (a) but these are said to have again been good in the April-June period. A further substan-tial rise in lendings led to a slight gain in interest earnings again despite narrowing margins. In keeping with the economy, commissions from commercial business were above corresponding 1979 totals.

At the same time, however, the bank says that income foreign exchange and precipis metals trading declined. At adds that these are still "significant" and points out that a drop had been expected.

The UBS balance sheet, which had shown a marked increase in the first quarter, saw this transl partially level off in the spring. due to the weakness of the dollar. The assets total was still some SwFr5bn (\$3.12bn)

booked at the end of 1979. Bank Leu, another of Synt zerland's major banks, reports. 5.6 per cent increase in balance sheet totals during the second quarter to SwFr 6bn (\$3.75bb). This means that the figure less risen by 144 per cent-since the

AECI, South Africa's largest aging director said the results plastic pipes, and vinyl pro-based liquid fuels developm

U.S. \$60,000,000 Term Financing

This announcement appears as a matter of record only.

Banco de Chile

Banco de Chile

U.S. \$40,000,000 Term Loan

Managed by:

BankAmerica International Group

Banamex/Intermex Banco de la Nación Argentina Canadian Imperial Bank of Commerce National Bank of North America

Intermex international Bank Limited

-INTERMEX GROUP-

National Bank of North America

Texas Commerce Bank, N.A.

**UBAF ARAB AMERICAN BANK** 

Union Chelsea National Bank

Lincoln First Bank, N.A.

International Westminster Bank Limited

Co-Managed by: Lincoln First Bank, N.A.

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Württembergische Kommunale Landesbank Girozentrale

**BANKOFAMERICA** 

U.S. \$20,000,000

Negotiable Floating Rate Certificates of Deposit due 1983

Managed by:

Bank of America International Limited

Banco de la Nación Argentina Dai-Ichi Kangyo International Limited

Libra Bank Limited MTBC & Schroder Bank s.a.

BANKOFAMERICA



Banco Real S.A.

ouncernent appears as a matter of record only

July 1980

#### Leucadia National Corporation has sold its subsidiary

James Talcott Factors, Inc.

Lloyds and Scottish Limited

We initiated this transaction and acted as advisers to Leucadia National Corporation



Hambros Bank Limited

#### Bank of Tokyo (Curação) Holding NV.

US\$50,000,000 Guaranteed Hoating Rate Notes due 1989



Payment of the principal of, and interest on, the Notes

The Bank of Tokyo, Ltd.

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curacao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated October 23, 1979, notice is hereby given that the Rate of Interest has been fixed at 91% p.a. and that the interest payable on the relevant interest Payment Date. October 27, 1980, against Coupon No. 4 will be U.S.\$120.76 and has been computed on the actual number of days elapsed (94) divided by 360.

CITIBAN(• By: Citibank, N.A., London, Agent Bank



#### THE KYOWA BANK, LIMITED

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 26th July 1982

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the sixmonth interest period from 25th July 1980 to 26th January 1981 the Certificates will carry an Interest Rate of 93/4 m per annum.

> Agent Bank Hill Samuel & Co. Limited,

#### Sea Malta to share routes By Godfrey Grima in Yaletta

SEA MALTA is to share equally

freight routes between Malta and Belgium, West Germany, Holland, Italy and the UK with a number of foreign shipping

The agreement between the national carrier and foreign lines was announced in parliament by Mr. Wistin Abela, the index. Holders of the capital

BY L. DANIEL IN TEL AVIY

ing consisting of subordinated terms to be fixed then.

capital notes, Series Nine pleted a Issi 9bn financing issue

# Bank Leumi fund raising

partial profit and loss account. the May 1979 order inflow was showed first-half earnings of unusually inflated, the Associa-

West-LB, which acts as clear- 1980, textile order inflow rose

ing house for the savings banks by 3.6 per cent, while produc-organisation in the West tion was up 5.5 per cent. German state of North Rhine AP-DJ

DM127m, which is a full 26.6 per tion points out.

interest-the rate is still to be

BANK LEUMI has announced 1986 to redeem them by acquirplans to raise Is £1.5bn around ing the right to purchase ordi-\$30m by way of a public offer. nary shares in the bank on

egistered, due 1986-93. and is in the process of raising Both the principal and the \$80m on the Eurobond market.

# above the level of SwFr 67.36bn

After the issue of the capital announced—are to be linked notes and the placing of the Eurobond issue, the Bank

# index. Holders of the capital Leumi group will have raised notes will have the option from IsE8bn in 1980.

# Rapid first half earnings gains by AECI

chemicals group, reports a 69.2 reflect the culmination of the ducts. per cent pre-tax profit advance ing programme of the past few results and is confident of the coal liquefaction with an 30 to RS5.3m (\$112m) from Coalplex plant, which proprovement has done little more An interior dividend of 1850.4m, and expects second-half duces PVC from 2 coal base, than raise the return on assets cents, against 12 cents has been appearance.

1979 first half and R296m for Mr. Denys Marvin, the man-industrial

per cent pre-tax profit advance company's heavy capital spend. The board is pleased with the information swap agreement of

R50.4m, and expects second-half duces PVC from a coal base; than raise the return on assets cents, against 12 cents, has been than those reported in 1979.

Profit for all 1979 came to R125.4m.

First-half turnover was 39.8 per cent ahead at R551.2m

Profit and turnover advances increasingly competitive with of 51.5 cents.

but it is negotiating a techni-

were broadly based, however, escalating oil prices, while coal AECI is controlled by Anglewith particularly good growth provides a more secure feed. American Corporation and feel, industrial chemicals, paints, is not rushing into methanolequity.

TANKS CONSOLIDATED INVESTMENTS LIMITED

NOTICE TO WOLDERS OF ORDINARY STOCK DIVIDEND NUMBER 66
NOTICE IS HEKEBY GIVEN that the Flast Dividend recommended on 3rd June 1980, at the rate of 8p per 50p Philips of Ordinary Size) for the year ended 31st December 1979, will be paid on or after 8h August 1980, but stockholders of the time boing of Stock Warrants to Bearer as indicated below.

Holders of Stock Warrants to Bearer should arrange for Coursors No. 65 therefrom to be lodded at the office of the Company's Paying Agents.

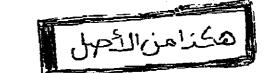
Landon Woln 255 or to deposit for the deposit such Courses in BRUSSELS or to deposit such Courses in BRUSSELS.

Societe Genérale de Banque 3 Montagne du Parc

or Banque Bruxelles Lambert 24 Avenue Maraix PARIS at:

Credit du Nord et Union Pa

or Mesors Lazard Freres & Cob 5 Rue Pillet-Will SWITZERLAND at: Swiss Bank Carporation Aveschemorstatt 1



#### loith C. Itoh returns to strong growth

By Yoko Shibata in Tokyo

C: ITOH AND CO., Japan's third largest trading company. and its 101 consolidated subsidiaries returned to strong earnings growth in the fiscal year ended March 1980. C. Itoh's consolidated operating profits rose by 84.6 per cent to Y83.65bn (\$373m), from the 1978-79 level net profits were Y32.83bn, to show a move into the black from the previous year's net de-Scit of Y1.790bn. Sales increased 33 per cent to Y9,184bn (\$41bn). Profits per share were Y44.02. compared with a deficit of Y2.40.

The sales increase resulted partly from a gain in the physical volume of goods traded, especially non-ferrous metals, foodstuffs, and other primary products. Almost half the turnover rise, however, came from the higher value of oil imports. Imports increased sharply, to count for 20.2 per cent of the fotal turnover. Exports gained 22.5 per cent, to account for 18.3 per cent of the total. Offshore trade also showed a significant gain, up 32.5 per cent to account for 14.2 per cent of the total. Domestic turnover, accounting for 47.3 per cent of the total, advanced by 22.4 per cent. Turnover in the fuels and chemical sector increased by 40 per cent. Timber and paper turnover was

up 48.8 per cent. During the past year, the company ceased to be affected by the losses incurred on the disposifion of its interest in Toa Oil and Toa Kyoseki Company ...In the current fiscal year.

ending March, 1981, the company foresees such restraining factors as a slowdown in car sales caused by the U.S. recession, and the appreciation of the yen. As a result, it expects setback in consolidated net earnings of 70 per cent, to 10bn, on consolidated sales of 11bn up 20 per cent.

RECORD COMPANY PROFITS IN JAPAN

# Facing oil crisis in leaner shape

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPANESE COMPANY profits successfully with the next. are a thermometer of the country's economic health. They feli by more than 40 per cent between September 1970 and March 1972 (the period which included the Nixon "shock" and the floating of the yen); by 90 per cent between March 1974 and September, 1975 (after the first oil crisis); and by 22 per cent between September 1977 and September 1978 (when the yen was climbing to its highest post-war level against the dollar).

Of course profits rose in the periods between, but March 1974 until recently stood out as a rather lonely peak in the corporate earnings "landscape." It was not topped until last September when profits of the country's 389 leading publicly owned companies edged up to a new "high" some 7 per cent above the early one.

In the following six month business term, to March 1980, the overall profit performance of Japanese companies showed little change, but those of companies in the manufacturing sector alone continued to improve rapidly to a level 24 per cent higher than the 1974 peak. The industry which dragged down the overall rating was electric power generation
—in deep trouble until April because of the gap between its rapidly rising fuel costs and an unchanged electricity tariff.

The ability of Japanese industry to chalk up record profits one year after the eruption of the second oil crisis requires some explanation, especially in view of what happened after the first oil crisis. The explanation offered by most corporate analysts in Japan is that it was precisely because industry suffered so badly after the first oil crisis that it was able to cope

Japanese industry spent the years from 1974 to 1978 improving its financial structure (that is improving the debt-equity ratio), painfully rationalising its use of labour and energy and, of exports.

of course, developing new products that required a smaller input of imported energy to produce a given amount of value. The result was that the capacity utilisation rate at which major Japanese companies could break even was much lower on the eve of the second oil crisis than at start of its predecessor.

The second oil crisis, however, did!not, initially, lead to any appreciable fall in the rate of operation of industry, because the Government resisted the temptation to throttle back drastically on economic growth as it had done in 1973. What happened instead was that prices, particularly of oil related products rose rapidly inside Japan while the yen weakened sharply against the dollar on the Tokyo foreign exchange market—by more than 30 per cent between late 1978 and the spring of 1980.

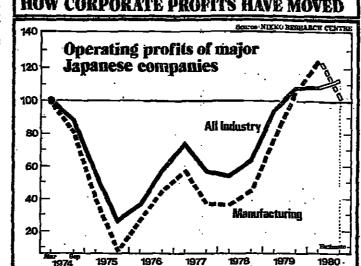
Higher prices for oil and other imported raw materials increased the costs of Japanese manufacturers from early 1979 onwards but the increase was offset by higher selling prices and by increased domestic demand for finished products. Meanwhile, the "cheap" yen turned out to be a bonus for exporters and for companies with overseas manufacturing interests.

Japanese industry invoices its exports in foreign currencies (usually dollars) and converts the proceeds into yen, with the result that the shortterm effect of yen depreciation is to increase yen-denominated export revenue. The yer fell 10 per cent against the dollar

in the six-month business term

The happy combination of electric power generators, while ending last March so that any factors which pushed profits up Okasan company exporting 50 per cent to peak levels in the spring of profits in the manufacturing of its output in this period 1980 will not apply in Sep- sector will be only 6.5 per cent stood to gain a 5 per cent profit tember when the next batch of lower. What is agreed, how-windfall from a given volume results is due. The yen has ever, is that profits will not fall recovered steeply from its low in delayed reaction to the 1979 Only a minority of major point of just over Y260 to the oil crisis by anything like the Japanese companies are depen- dollar in early April to around amount they fell after March,

dent on exports for more than Y224, so that foreign exchange 1974. HOW CORPORATE PROFITS HAVE MOVED



half their total sales, but the list cent. including products manu- rates in April). factured overseas); and Honda (69.5 per cent). Needless to say, these companies and others like them achieved big increases in the volume as well

as in the profitability of their

windfalls will be less in eviincludes a number of dence. At the same time the famous names in which over-first signs of a downturn are seas investors are interested, appearing in Japan's demestic Four large companies with economy. The result will be to particularly heavy exports (and reduce the profits of manufacparticularly good results in the turing industry below the March

the likely amount of the decline major companies other than very little cause for complaint.

Securities believes

A much smaller downturn in economic activity is one reason for this confidence. The second reason includes the leanness of most Japanese companies today, not only as a result of rationalisation but also in terms of inventories. Japanese manufacturing companies had inventories equivalent to 2.48 months of sales at the start of the 1974-75 recession. In March, 1980, the figure was two months. with a corresponding reduction

in the cost of inventory finance. What happens in the next business term, to March 1981. analysts are still in the process of making up their minds. Two months ago it was expected that the domestic economy would touch the bottom of a mild recession in the third or fourth quarter of 1980 and that demand would pick up after that (in response to a relaxa-tion of domestic credit restraints) in time to produce a recovery of corporate profits

well before next spring. Today it looks as if the slowdown is going to come later and be more acute than was Yamaha Motor (export depen-dence 62.5 per cent); Colon should perform better (because overall decline in corporate (72.2 per cent); Sony (6).3 per of a sharp increase in electricity profits at the end of the Manch cent, including products many 1981 business term, but the Japanese analysts differ about margin of any such decline seems unlikely to be more than in manufacturing industry 10 per cent. If this is the worst profits. The Nikko Research that Japanese industry has to 10 per cent. If this is the worst Centre sees an IS2 per cent pay for passing through the fall in operating profits for second oil crisis it will have

#### **COMPANY NOTICES**

HOPE STREET FUND S.A. société anonyme 14. rue Aldringen, LUXEMBOURG DIVIDEND ANNOUNCEMENT

The shareholders are hereby informed that the Annual General Mechan of July 18th, 1980 has approved the asymont of a dividend of 5054, 0.40 per share to shares subscribed and in circulation on July 18th, 1980 payable immediately aspinst presentation of coupon mamber 14.

The shareholders can cash the dividend at following banks:

—diamuse Generale—tu\_Lingmbourg, S.A., 27. svenue Monterev LUXEMBOURG -Chydesdale Bank 110. 30. Lombord Street. London.

The Board or Directors.

**MURRAY FUND S.A.** societé appayme 14., rue Aldringen, LUXEMBOURG DIVIDEND ANNOUNCEMENT

The shareholders are hereby informed that the Annual General Meeting of July 18th, 1980 has approved the oayment of a dividend of SUSA 0.135 her share to shares subscribed and in circulation on July 18th, 1980 has belongery of the shareholders can cash the dividend of following banks:

—Banue Generale du Luxembourg.
5.A.. 5.A.. 27. avenue Momerty LUXEMBOURG

ORDINARY SHARES BDRS

ISSUED BY CITIBANK N.A.

NOTICE IS HEREBY GIVEN that a dividend due 28th July 1950 to holders of BDRs as at 31st March 1980 may now be Claimod at the rate shown below on resentation of Coupon No. 23 detached from BDRs of 10 shares each and coupon No. 18 detached from BDRs of 30 shares each to the undersigned:
Gross dividend per share = USSO.013674

USSO.013674

Withholding Tax = USSO.013674

Withholding Tax = USSO.013674

Usited Kingdom Income Tax at the reduced rate of 15% in the L with be deducted from the amount of this dividend exercis in Cases where coupons are accompanied by a United Kingdom Inland Revonue Affidavir of non-residence.

Special Listing forms are available from the undersidence.

Citibank N.A.

URUGUAY 37.7., CONSOLIDATED

Dated the 25th day of Jely 1980. P.O. Box N7768 Nassau, dahamas.

ORDINARY EDRS ISSUED BY CITIBANK N.A. NOTICE IS HEREBY GIVEN that divident due 28th July 1380 to holder of EDRS, as at 31st March 1380 may not be claimed at the rate shown below of propertiation of coupon No. 25 to the



The Ordinary General Meeting was held on June 17, 1980, under the chairmanship of Mr. Spengler and approved the Company Accounts closed at December 31, 1979. The resolutions proposed to the shareholders were approved.

For the fiscal year terminating on December 31. 1979, pre-tax Company turnover showed an increase of 20.13% compared with the previous year and reached Frs. 874.947,000, 64.22% of which accounted for exports, against Frs. 728,319,000, accounts showed a new profit after tax of Frs. 30,101,000 against Frs. 20,622,000 in 1978.

The gross self-linancing margin reached Frs. 80.494,000 after financial expenses, tax and provisions on clients'

The Group's consolidated turnover showed an increase of 27.87% during the last fiscal year and totalled Frs. 1,263,529,000, made up as follows:

sical construction Frs. 351,990.00 Military techniques Frs. 499.858.000

Equipment for the food industry, electronic regulation, reinforced plastics, miscellaneous Frs. 411.681,000 Consolidated accounts show a gross consolidated self-financing margin of Frs. 122,100,000 against Frs. 92,555,000 in 1978 and a net consolidated profit of Frs. 40.625.000 against Frs. 28.496.000 in 1978, i.e. an increase of 42.56%.

After approving the balance sheet and the accounts, the General Meeting of shareholders agreed to distribute a net dividend of Frs. 14, which together with the tax credit of Frs. 17 represents a global revenue of Frs. 21 per nominal share of Frs. 100, compared to a net dividend of Frs. 12 and a global revenue of Frs. 18 for the previous fiscal year. Payment of the dividend will be made against presentation of coupon NR 57 to the Company counters and to accredited

hanks, as of July 1, 1980.

Total turnover of the communies belonging to the Manurhin Group included within the consolidation perimeter on May 31, 1980, totals Frs. 586 million. a progression of 11.4% over the corresponding period of the previous fiscal year. Orders booked by the Group amount to approximately Frs. 1.150 million. In his speech the Chairman indicated

that in view of this aspect, continued progress can be expected jor the present fiscal year.

The Chairman also mentioned the satisfactory growth of the collaboration with Matra, which is becoming more and more close and will allow a progressive and systematic development of the two Groups' joint capacities, both in the military and civilian fields.

#### Latest offer for UIC fails

By Georgie Lee in Singapore

THE TAKEOVER battle for the United Industrial Corporation (UIC), the chemical and property group, has come to a balt. Its last suitor, Tang Eng Private has failed to acquire

Tang Eng. whose chairman, Mr. Lee Kim Yew, is also the chairman of UIC, offered S\$5.50 (U.S.\$2.60) per share for the UIC equity. The offer was conditional on acceptances of more an 50 per cent of the issur When the offer closed acceptances were below the 50 per cent requirement.

Morgan Grenfell, Asia, which was advising shareholders of UIC, had recommended a rejection of Tang Eng's offer on the grounds that the offer price was halow its own valuation of

#### Weelock Marden

Consolidated net profits of Wheelock Marden and Company for the year to March were HK\$ 168.6m, hefore extraordinary profits of HK\$ 117.2m and an unrealised exchange loss of HK\$ 9.2m. The net profits of HK\$ 276.6m attributable to the group, however, are struck after allowing for the exchange loss, not as reported on Saturday. The bonus dividend on the company's "A" shares was company's

While plays and mates in 3 moves

This announcement appears as a matter of record only

#### K/S BERGESEN UGLAND A/S & Co. US \$ 32.000.000

to finance the multipurpose offshore vessel M/S «Berge Worker»

Managed by

Den norske Creditbank

Provided by

Citibank, N.A. Bank of America, N.T. & S.A. Den norske Creditbank (Luxembourg) S.A. Nordfinanz-Bank Zurich Nordic Bank Limited

**July 1980** 

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#### WORLD VALUE OF THE DOLLAR Bank of America NT & SA, Economic Department, London

The table below gives the retes of exchange for the U.S. doller against various currencies as of Wednesday, July 23, 1980. The Exchange rates listed are middle rates between buying and soffing rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not besed on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Benk of America NT and SA nor the Financial

		<del></del>						
COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY !	VALUE OF DOLLAR	COUNTRY	GURRENCY	VALUE OF DOLLAR
Afghanistan,	Afghani /O:	44.00	Greenland	, Danish Krone	5,382	Papua N.G	Kina	0,6587
Albania	. Lek	4,2346	Grenada	E. Caribbean S	2,7025	Paraguay	, Guareni	137,30
Algeria	. Dinar	3,8325	Guadaloupe	. Local Franc	4,0382	i Dannia & Danish		-
Indoor	French Franc Spanish Peseta	4,0382	Guadaloupe	. U.S. S	1.00	i of Yemen	. S. Yemen Dinar	0.3415
ANGOTTAL	Spanish Peseta	70,90	I Guatamaia	. 4087281	1,00	Paru,	. 301	270,24
Angola	, Kwanza	27,627	Guinea Bissau Guinea Republic	. 17050 Sull	33.0783 18.5579	Philippines Pitcairn Islands	, rn. resp Ny i	7,50
Antigua	, E. UZIIDDORN S	2,7025 1872,50	Guyaла	GUVADASA S	2,545	Poland	Zioty (O)	1,011 <del>5</del> 31,00
Argentina	. nryonune reso Australian S	0,8606	duywa	. vajenicos v		Portuoal	. Port. Escudo	48,68
Austria	Schilling	12.345	Haiti	, Gourge :	5,00	Portugal	Timor Escudo	na na
AustriaAzores	Portug. Escudo	48,68	Honduras Repub	. Lempira	2.00 4.91	Puerto Rico	U.S. \$	1,00
Bahamas	Sohamian S	1.00	Hong Kong	. Foriot (0)	32.6022	Qatar		3,678
Bahrain	, Dinar	0.3778	1			Reunion lie de la		4.0382
Balearic Islas	. Spanish Peseta	70.90	Iceland	, I, KJOHA	4 <b>29.70</b> 7.77	Romania		4.0308
Bangladesh	Taka	14.6487	India indonesia	, ing. Kupet ,	625.00	Rwanda		92,84
Barbados	. Bardagos >	2.01	Iran	Rial	59.50			•
Balgium	B. Francici	27.83 27.96	Irag	irao Dinar	0,2953	St. Christopher		. 2,7026
Belize	Raliza S	27,96	I Insh Republic	, insa runt' .	2.1597	St. Helena	. Sterling*	2.3851
Benia	C.F.A. Franc	201,91	listael	(sraeli Pound (4)	51.09	St. Lucia	. E. Caribbean S	2,7025
Bermuda	Bda S	1.00	Italy	. Lifa	827,15	St. Pierre,	F Caribbean 9	4.0382 ; 2.7025
Bhutan	. Indian Rupee	7,77	Ivory Coast	. G.F.A. PTARC	201,91	Samos American	. U.S. S	1,00
Rolivia	Bolivian Peso	25.00	Jamaica	. Jamaican Dollar	1,7836	Sen Marino	. Italian Lifa	827.15
Rotswana.	. Pula	0.7731 : 53,21	Japan	. Yan	224.30	Saudi Arabia	. Saudi Rival	3,3192
Brazil Brit. Virgin Isles	. U.S. Š	1.00	Jordan	. Jordan Dinar ·	0,291	Senegal	. C. F. A. Franc	201.91
874N81	pruliai a	2,108	Kampuchea	Riel	п.а.	Seychelies	. S. Kupet	5.5889
Bulgaria	. Lev	0.879	Kenva	. Kenya Shilling	7,2622	Singapore	, Singapore E	0,8385 2,108
Burma	. Kyat	6.7271	Kores (Nth)	Wan	0.94	Solomon islands	. S.I. S	; p.8606
Burundi	Surundi PIENC	90.00	Korea  Sth	. Won	603.00	Somali Republic South Africa	. Som. Shilling	6,0241
Cameroun Republic	C.F.A. Franc	201.91 1.1529	Kuwait	. Kuwait Dinar	0.267	South Africa	, Kand Peset-	0.7623 70.90
Canada	. Spanish Peseto	70.90	Lao Pipis D. Rep	Kip of Lib.	16.00	Spain	· · · · · · · · · · · · · · · · · ·	. ,0,50
Canary Islands Cape Verde Isle.	Cape V. Escudo	<i>3</i> 6,51	Lebanon	. Leoanese Pound	3.4115 0.7623	North Africa	. Sp. Peseta	70,90
		0,836	Lesotho	I harian K	1.00	Sri Lanka Sudan Republic	. S. L. Rupee	15,45
Cent. Af. Rep	C F.A. Franc	201.91	Libva	Libyan Dinar	0,2961	Sudan Republic	Pound (2)	0,50
Chile	Chilean Pear (C)	201,91 39.00	Liechtenstein	. Swias Franc	1,6005	Sudan Republic	. counc (1) . S. Guilder	0,80 1.80
China	Renminbi Yuan	1,4907	Luxembourg	. Lux Franc ,	27.83	Surinam	Lilangeni	0,7623
Calambia	Cot Peto IOs	47,52	Macao	. Pataca	5.305	Sweden Switzerland	. S. Krona	· 4,1125
Compres Islands	. G.F.A. Franc	201.91	Macao Madagascar D. R.	MG Franc	201,91	Switzerland	. SWISS Franc	1,6005
Congo (Brazaville). Costa Rica	Colon	201.91 8.57	Madeira	, PortuguaseEscudo'	48,68	Syria	. Syria PUUNG.	3,9262
Cuba	Cuban Peso	0.707	Malawi	. Kwacha	0.7926 2.136	Taiwan	New Taiwen (O.	36,00
Cuba	Cyprus Pound	0,3529	Malaysia Maldive Islands	Mai Runes	3.93	Tanzania	. Tan Shilline	8,2893
Czechoslovakia	. KORUNE (O)	5,50	l Mali Republic	Mali Franc	403,82	Thailand	. Baht.	20,50
Dem. Rep.S'oTome	S. Tome Dobra	34.0181	i Maita	. Maitese Pound ,	0.3363	Togo Republic	, C.F.A. Franc	201.91
Denmark	, vanish krone	5,382	i Martinique	. Local Franc	4.0382	Trinidad & Tob	ra anga Trin, 4 Teb s	0,8606 2,4063
Diihouti Rp. 6f	. Diibouti Franc	169,804	Mauritania	Ougulya M Busse	40,382 7.6178	l Tunisia	Tunisian Dinar	0,4131
Dominica Dominican Repub.	E Caribbean 3	2,7025	Mexico	. Mexican Peso	22,81	Turkey Turks & Calcos	Lira	74.43
		1.00	Miquelon	. Franch Franc	4,0382	Turks & Caicos	. U.S. \$ Aughes!! *	1,00
Equador	Sucre	28,10	Monaco	. French Franc :	4,0382	Tuvalu	. AUSTRAINED 2	, 0,8606
Egypt	Color Color	0.69 2.50	Mongolia	rugnk (D)	3,3555 2,7025	Uganda	Ug. Shiilina	7,2622
El Salvador Equatorial Guinea	. Solon : Ekuala	2.50 70,90	Mortserrat	. c. cartopean 3 Dirham	3.7025 3.7022	United Arab Emir.,	, UAE Dirham	3,6905
Ethiopia	Birr (O)	2,0855	Mozambique	Moz. Escudo	28,3217	United Kingdom	£ Sterling*	. 2,3851
Farne Islands	Danish Krone	5,382	1		0.7623	Upper Volta	G.F.A. FIBRO	201,91 9,054
Faroe Islands Falkland Islands	Falkland Is. &	2,3851	Namibia	Anet S	0.7623	Uruguay	Rouble	9,054 0,6435
Fili Islands	, Fili S	0.8021	Nepal	Nepalese Rupes	12.00			0,5 .00
Finland	Markka	3,597	Nepal	Dutch Guilder	1,9027	Vatican	Italian Lira	827.15
France French C'ty in Af	. French Franc C.F.A. Franc	4,0382 201,91	I NETRENZADANTINES	S ANCIIIIAUI GUIKO	1.80	Venezuela	Bolivar	4.2937
French Guiana	Local Franc	4,0382	New Hebrides	AUST. S	0.8606 65,2586	Vietnam N Virgin Islands U.S.	. Dang 10)	2.18 1,00
French Guiana French Pacific Is		71,2758	New Zealand	. NZ S	1.0116	7., gr. 13141145 U.S.		
Gabon	C.F.A. Franc	201.91	Nicaragua	. Cordoba	10,00	Western Samoa,	. Samoan Таја	0,9009
Gambia	. Dalasi	1,6771	Niger Republic	. C.F.A. Franc	201.91			
Germany (East)	. Ostmark (O)	1.7407 1.7407	Nigeria	. Naira (O)	0.5416	Yamen		4.57
Germany (West)	. veutschemark Cedi	1,7407 2,75	Norway	-	4.80	Yugoslavia	NEW T. DINST	. 87.30
Gibraitar	. Pound *	. 2,3851	Oman,Sultanate of		0,3456	Zaire Republic	Zaire Zaire	1,9666
Gifbert Is	. Kiribati	0,8506	Pakistan		9,91	Zambla	. Kwacha	0.77
Greece	. Drachma	42,60	Panama	. Baiboa	1,00	Zimbabwe	Zim §	0.6935

n.a. Not available. \* U.S. dollars per National Currency unit. (0) Official rate. (C) Commercial rate. (F) Financial rate. —Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports. (3) Egypt—A different rate applies to certain transactions with non-IMF countries.

(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.

This announcement appears as a matter of record only.

## SIEMENS AG

Kuwaiti Dinars 10,978,434 **Contract Financing Loans** 

Arranged and Provided by

The National Bank of Kuwait SAK



February 1980

This announcement appears as a matter of record only.



# CGEE ALSTHOM-COGELEX

Kuwaiti Dinars 4,300,000

Medium Term Loan

Guaranteed by

Banque de L'Indochine et de Suez

Arranged and Provided by The National Bank of Kuwait SAK



June 1980

# £ remains firm

Sterling continued to advance DM 4.1520, but the Swiss franc in the foreign exchange market rose to DM 1.0884 from yesterday, helped by the lack of DM 1.0876. The Japanese yen change in Bank of England Minimproved at the fixing, rising to change in Bank of England Minimproved at the fixing, rising to mum Lending Rate, and the further downward trend in U.S. DM 7.770, but eased later on interest of the control of the contro interest rates. The pound opened at \$2.3810.\$2.3820, and eased to \$2.3800.\$2.3810, but generally showed little movement before the announcement on MLR. It then rose steadily, from \$2.3830-\$2.3840 at mid-day to a peak of \$2.3990-\$2.4000 in the afternoon. Demand for sterling was strong in New York following news of the cut in Chase Manhattan and DM 91 45, and the Belgian franc to DM 6.251 per 100 francs from DM 6.250. Chemical Bank prime lending rates to 102 per cent. There may have been some intervention to stem the pound's advance towards the close, and it finished at \$2.3960.\$2.3970, a rise of 1.17 cents on the day, the highest closing level since March 1975. Sterling's trade - weighted index, as calculated by the Bank of Eng land, rose to 75.2 from 75.0, the firmest point since mid-

0000 and in the morning. The dollar lost ground agginst major currencies in general falling to DM 1.7350 from DM 1.7400 against the D-mark to SwFr 1.5940 from SwFr 1.6000 in terms of the Swiss franc, and to Y223.10 from Y224.00 against the Japanese yen. The U.S. Japanese yen. The U.S. currency's index on Bank of England figures, fell to 83.1 from

1975, after standing at 74.9 at

D-MARK — Slightly weaker within the European Monetary System recently, but showing a firmer tendency, against the dollar following a sharp narrowing of interest rates distributed by the content of the content o

uncertainty about Middle East oil supplies and prices, speculation about a cut Japan's discount rate. Within the EMS the French franc fell to DM 43.06 per 100 francs from DM 43.0S, and the Irish punt to DM 3.7470 from DM 3.7580. The lira was unchanged at DM 2.103 per 1,000 lira, but the Dutch guilder rose to DM 91.50 from

ITALIAN LIRA - Still the weakest currency within the tendency following the early July support package — The lira showed mixed changes at the Milan fixing. The dollar fell to L\$26.45 from L\$27.20, and sterling to L1,970.80 from L1,974.40, while the Swiss franc rose to L517.40 from L516.82. rose to L517.40 from L516.82.
Among EMS members the French franc was unchanged at L204.85 and the Danish krone at L153.70. The D-mark rose to L475.62 from L475.55, the Belgian franc to L29.75 from L29.717, and the Dutch guilder to L435.16 from L434.83. The Irish punt fell to L1,783.75 from L1,786.50.

JAPANESE YEN — Showing

JAPANESE YEN - Showing weaker trend again after marked recovery on the downward trend in U.S. interest rates. Last year dollar following a sharp narrowing of interest rates differentials—The Bundesbank made no change to its credit policies and key lending rates yesterday, and the D-mark was quite firm at the Frankfurt fixing. The German authorities did not intervene when the dollar fell to DM 1.7388 from DM 1.7396, while sterling declined to DM 4.1480 from tinued to undermine the yen.

#### EMS EUROPEAN CURRENCY UNIT RATES +0.43 +0.12 +0.68 -0.77 -0.44 -0.24 ±1.53 ±1.64 ±1.125 ±1.3557 ±1.512 ±1.668 ±4.08 7.79038 2.51756 5.84605 2.75222 Danish Krone ... German D-Mark 7.72336 2.48208 5.84700 2.74382 0.671628

#### THE POUND SPOT AND FORWARD

	1112 . 0			
July 24	Dey's spread	Close	One month	p.a. moths
U.S.		2,3960-2,3970	1.57-1.47c pm	7.61 3.65-3.55 pm &
Canada.	2.7450-2.7660	2.7620-2.7630	1.50-1.40c ons	6.39 3.27-3.17 pm 3
Nethind.	4,511-4.56	4.542-4.564	29e-1≥c pm	5.94 G <sub>4-51</sub> cm: 3
Belgium	66,15-66.60	66.45-66.55	17-7c pm	2.15 37-27 pm 1 3
Denmark	12.801 - 12.90 -	. 12.85 - 12.86 -	7,-23ore dis	-1.52 70-53 dis2
Ireland	1 1030-1 1110-	1.1092-1.1102	0.08-0.04p pas	0.65 0.30 0.24 pm -0
W. Ger.	4.131-4.17	4.15 4.76	3-2of pm	7.21. 7-6 pm 🧗 👊
	44E 00.718 00	116.50-116.60	15c pm-25 dia	-0.51 25pm-90ds
Portugal	168.75-170.20		70-125c dis	-6.90 292-369 die -3
Spain	1,969-1,981	1,976-1,977	124-15% line.dis	
itely	1,303-1,30-1	11,48 - 11,49 -	75-55 one pm	6.79 15 14 pm &
Norway	17.42-11.52		<i>Ф</i> ₂-3'₂с рлі	4,66 82 75 pm
France	9.61-9.58	9.654-9.663	THE STREET	3.20 3 2 pm
Sweden	9.79-9.88	9,831, 9.841,	3-24-ore pm	2,51 3,25-2,85 pen. 2
Japan .	530-538	534 - 535 ·	1.50-1.10y pm	
Austria	29.35-29.55	29.47-29.52	14-11gro pm	5.08 32-26 pm 5
0	2 GU 2 G3	2 214 3 224	4.3c nm	7U, 29 23-44 PEG 7 - 12

x-month forward dollar 5,30-5,20c pm, 12-month 7,25-7,15c pm.

#### THE DOLLAR SPOT AND FORWARD

July 24	Day's spread	Close	One month	p.a.	Time months	_ <b>}</b> N
	2.3800-2.4000 2.1548-2.1600	2.3960-2.3970. 2.1580-2.1600		8.34	3.65-3.55 pm 3.78-3.68 pm	L, Ed
Canada .	1.1518-1.1533	1.1520-1.1523	0.22-0.25c dis	-2.48 -1.45	0.50-0.538 <sub>0</sub> 0.35-0.45dis	
Belgium'	27.73-27.80 5.3725-5.3825	27.73.27.75	10-111-c dis	— <b>4.6</b> 5	26-26-12-12-12-12-12-12-12-12-12-12-12-12-12-	- 1
W. Ger.	1.7325-1.7395 48.60-48.78	1.7345-1.7365: 46.60-48.70	0.03-0.06pf dis 25-40c dis		0.14 0.70 Mg	0:
Spain	70.82-70.95	70.82-70.90 825.25-825.65	70-95¢ dis 9-11 line dis	-13.97 -14,72	29-31 dia	- <b>19</b> 1
Norway France	4.7955-4.8030 4.0230-4,0380	4.7960-4.7875 4.0280-4.0295.	0.90-1.00c dis		2.07 2.7545	-21
Sweden Japan	4.1050-4.1160 222.80-224.10	4.1050-4.1070 <sup>-</sup> 223.05.223.15	0.70-0.85y dis	-417	7.90-2.05dis	
Austria Switz.	12.31 <sup>1</sup> ,-12.34 1.5900-1.6015	12.314-12.324 1.5935-1.5945	0.54-0:49c pm	3.88	151149 pt	
4 116	and Ireland a	ere aunted in U	S. Cummicy.	Forward	oremitates, as	an€.⊤

CURRENCY	MOVE	WENTS	CUR	REN	CÝ Ř	\TES
July 84	Bank of England index	Morgan Guaranty Changes Z	July 25	Bank rate	Special Drawing Algirts	Curren
Sterling U.S. dollar Canadian dollar Austrian schilling Belgian franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lira Yen Resed on trade un	75,2 83,1 81,4 158,2 116,7 108,4 157,0 201,9 126,5 102,6 53,4 126,6	-31.3 -10.3 -16.4 +24.5 +16.3 -3.5 +44.9 +81.2 +20.7 -51.2 -51.2 +24.5	Sterling U.S. 5. Canadian S. Austria Sch Beiglum F Danish K Gulider: French Fr Ura Yen Norwgn, K Snanish Pts.	11 10.35 63 13 13 9 9 9 15	16,4095 37,0080- 7,15695 2,51309 2,52970 5,56655 1099,97 296,782 6,37976	1.4470 1.8685 19.867 40.275 2.5175 2.5175 2.7527 6.6440 1197 10 324.607 6.9450

#### OTHER CURRENCIES

July 24	2			Note Rates
Argentina Peso Australia Dollar	2,0625-2,0665	1872-1879 0:8010-0:8615	Beforure	29,30-39.60 60,65-67.18
Brazil Cruzeiro Finland Markka Groek Drachma	8,614-8.624	3,5980-5.5990	France	12.80 12.90 9.58 9.64 4.14 4.17
Hong Kong Dollar Iran Ria	11.784-11.804	4.9180 4.9200	Italy	1930-2019 534-539
Kuwait Dinar(KD) Luxembourg Frc.	66,45 66,55	0.8667-0.2668 27,73-27,15	Norway	4.5212.4.5512 11.49-11.52 112-716
Majaysie Dollar New Zeeland Dir. Saudi Arab, Riyal.	2.4250-2.4300 7.87-7.93	1,0120-1,0130 3,3190-3,3206	Spain.	15414-17134 : 9,789,88
Singapore Dollati Sth. African Rand U.A.E. Dirham	5,0475-5,0600 1,8250-1,8260	2,1050-2,1080 0.7615-0.7620 3,6880-3,6900	United States	3,80%-3,85 2,39%-2,40% 63-66%
V.A.C. MIRAM	W-10-0.01	U.U.A.A.O.0300	. n.A.sama.jornes	

#### **EXCHANGE CROSS RATES**

· ———												
July 24	PoundSterling	U.S. Dollar	Deutschem	'k Japan'seYen	FrenchFranc	Swiss Franc	i DutchGuild'	Italiaa Lira	Canada Dollar	1		
Pound Sterling -	. 0.417	2, <del>89</del> 7	4,150	535.0	9.563	3,820	4,548	1977.	2,763	56.50		
U.S. Dollar		1.	1,735	223,2	4.032	1.594	1,898	825.0	1,155	27.75		
Deutschemark	0.240	0,576	7.776	128.6	8,325	0.918	1,093	476.2	0.864	15.99		
Japanese Yen 1,000	1.869	4,479		1000.	18,06	7.140	8,500	3595.	5.164	124,3		
French Franc 10	- 1.035	2.480	4.505	553.7	10.	3,953	4,708	2045.	2,859	58.82		
Swiss Franc	0.262	0.527	1,089	140.1	2,529	1	1,190	617,5	0,725	17.41		
Dutch Guilder	0.220	0.527	0.915	117.5	2.125	0,840	2.300	434.7	0,607	14.62		
Italian Lira, 1,000	0.506	1,212	2,104	270.6	4.887	1,932		1000.	1,597	35.64		
Canadian Dollar	0.562	0.868	1,506	193.7	3,491	1,383	1,646	715.7	1.	24.07		

#### FT LONDON INTERBANK FIXING (11.00 a.m. JULY 24)

		<del></del>			
3	month	U.S. dollars	6 month (	J.S. doilars	
bıd	9 1/8	offer 9 1/4	bid 9 5/8	offer 9 1/2	

#### EURO-CURRENCY INTEREST RATES (Market Closing Rates)

July 24	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder		West German Mark	French Franc	Italian Lira	Asian F	Japanese Yen
†Short term	17-1712 1613-1632 1614-1643 1514-1512 1418-1436 1311-1316	814-812 844-858 851.9 994 913-913	912-1012 912-1012 1034-1056 1012-1034 1012-1034 1012-1034	10-1014 10-1014 10-1014 10-1014 978-1018 934-10	15: 17: 51: 5 41: 41: 51: 51: 51: 51:	916 916 918 914 918 914 816 816 818 818	1155-1176 1155-1178 1156-1178 1156-1178 1156-1278 1176-1218	2514-2414 2514-2414 2514-2414	2454-2478 815-815 816-915 918-914 928-919 958-954	12% 13% 15% 15% 16.15% 12.12% 11% 11%

Long-term Eurodoller two years 101-101, per cent; three years 102-107, per cent; four years 102-11 per cent; five Short-term rates are call for sterling. U.S. dollars, Canadian dollars and Japanese yen; others two-days notice. A The following nominal rates were quoted for London dollar certificates of deposit; one-month 8.75-8.80 per cent 8.75-8.85 per cent; one year 9.05-9.15 per cent

#### INTERNATIONAL MONEY MARKET

#### Paris rates ease

yesterday, with call money touching its lowest level since February 18, at 11% per cent, compared with 11% per cent on Wednesday. This follows the Wednesday. This follows the downward trend in international interest rates recently, notably in New York where the Federal In New York where the Federal Reserve's move to add reserves to the banking system on Wednesday, tended to confirm that the U.S. authorities may have decided on a further slight easing of monetary policy. Rumours of a cut in the West German and Japanese discount rates, coupled with the falling U.S. rates, have depressed the U.S. rates, have depressed the D-mark. Yen and Dollar recently, while the French franc has been Very strong for several months

at the top of the European Monetary System. The easier trend in Paris was also reflected in the shorter periods, with one-month and three-month funds declining to 118-113 per cent from 111-118 per cent. Six-month and 12-month money were unchanged at 111-

In Frankfurt interest rates showed no change ahead of the Bundesbank central council meeting, as the market awaited

# MONEY RATES **NEW YORK**

Discount Rate Overnight Rate One month Three months Six months	9.70 9.60
FRANCE Discount Rate Overnight flate One month Three months Six months	11.6875 11.6875

continued to decline in Paris before the summer recess, as yesterday, with call money generally expected there was no cut interest rates by the German central bank yesterday, and

credit policies were unchanged.

#### **UK MONEY MARKET Small**

help

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

don money market yesterday, and the authorities gave small assistance by buying a small amount of Treasury bills from the discount houses, and by making small loans available to four or five houses, overnight at Minimum Lending Rate. Banks brought forward moderate surplus balances, and there was a small decrease in the note circulation but these were out**Further** 

# rise

Gold rose quite sharply in late trading in the London bullion market yesterday, following further cuts in U.S. hank prime rates and the dollar's weaker trend. It closed at \$640-643 2 rice of \$10 on the day. 643, a rise of \$19 on the day, after touching a peak of \$6481-6501 in the afternoon. The 650 in the afternoon. The metal opened at \$631-634, the

and \$643 in the afternoon. bar was fixed at FFr 82,400 per kilo (\$635.36 per ounce) in the afternoon, compared with FFr 82,500 (\$635.93) in the merning and FFr 82,560 (\$635.77) Wed-nesday moraling.

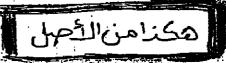
In Frankfurt the 12 kilo bar was fixed at DM35,495 per kilo (\$635.02 per ounce), compared with DM35,230 (\$629.95) previously, and finished at \$642.645, against \$630.633 on Wednesday

In Zurich gold closed at \$642-645, compared with previously.

slightly short supply in the Lon- don money market yesterday, and the authorities gave small assistance by buying a small amount of Treasury bills from the discount houses, and by mak- ing small loans available to four- or five houses, overnight at Minimum Lending Rate. Banks	Mapisear. \$664.659 (2273-2774) (554-682 (2271-278) New Sovereigns \$1654-1651 (2674-6812) \$160-161 (2674-58) New Sovereigns \$1654-1651 (2674-6812) \$160-161 (2674-58) Ning Sovs. \$186-189 (27712-7812) \$185-187 (27712-7812) \$185-187 (27712-7812) \$185-187 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$165-168 (27712-7812) \$176-7812 (27712-7812) \$176-7812 (27712-7812) \$176-7812 (27712-7812) \$165-168 (27712-7812) \$176-7812 (27712-7812) \$176-7812 (27712-7812) \$165-168 (27712-7
brought forward moderate sur- plus balances, and there was a small decrease in the note circulation but these were out- weighed by a small net take up	of Treasury bills, and a moderate paid up to 16 per cent for secured excess of revenue payments to call loans at the start, with the Exchequer over Government closing balances taken at 15-18 disbursements. Discount houses per cent

LONDON MONEY RATES

!	Juty 24 1980	Storling Certificate of deposit	Interbank	Local Authority deposits	Local Avita, Regotiable, bonds	House	Сомралу	Discount market deposits	Treesury	Eligible Bank Bills #	Fine Frade Bills #	
	Overnight	164-164 16-157- 16-157- 16-154- 14-141- 131-134- 131-134- 131-121-	16-1678 	1658-1634 1634-1658 1632-1658 1632-1658 1448-1432 1518-1338 1518-1334	171g-174g 17-1714 151g-157g 141g-141g 1834-141g 131g-135g	1654 16 <sub>18</sub>	- 163, 174	15% 15% 15% 15% 15% 15% 15% 15%	14.8 14 <u>18</u> 145 <sub>8</sub> 14.8	= :	26% 76% 15%	7



	Companies and Markets	WORLD	CK MARKETS	
3	Stock   July   July   Columbia Gas   39   3978   3054	2. Teal 47g 47g Mess Petroleum 4114 421g Schlitz Brew J. 77g 8 Pet 134g 135g MGM 81g Schlumberger. 1255g 125 kocea 354g 351g Metromedia 761g 764g SCM 281g 281g 29 manci, 224 225g Militon Bradley 340g 543g Scott-Paper 167g 167g 167g 167g 177 Milmenots MM 562g 57 Seudder Duo V. 1214 188g		decline of 5.1
大のでは、大のでは、大のでは、大のでは、大のでは、大のでは、大のでは、大のでは、	AVX Corp	1712   1713   Mobil   7575   7576   Sanbrd Coest   4216	at mid-session following further heavy trading, The Dow Jones Industrial nently lower on further professions.  Average was down a net 5 12 at taking.	a broad front on heavy volume, as respectively.  As respectively.  The conventional Oils closed easier for choice. Monarch Petroleum lost 8 cents at 70  Operators cald inventors had cents and Crusader Oil 10 cents
	Alberto-Culv	## 2575   2612   Murphy (6C)   1476   15   15   1611 Trans   4076   4118   4068	923.46 at 1 pm, while the NYSE, All Common Index lost 24 cents at \$69.52 and declines outscored advances by a six-to-four margin, Turnover amounted to 27.94m shares, compared with Wednes- day's 1 pm figure of 32m.  The NIRREL-Dow Jones Avera receded 41.49 to 6,795.98 and t Talls outpaced rises by 373.  248 on the First Market section of	been encouraged by the decline at A\$3.80, but Bridge picked up in domestic interest rates in France—the Call Money Rate further eased by 1 of a point yesterday to its lowest level since mid-February. Also providing some impetus was the fact that yesterday, but stocks were
はなるないではる	Aleba 671g 657g Amail Sugar 5514 351s Amerada Hees 600g 551s Am. Alrifines 9 876 Am. Brands 797g 801s Am. Brands 7	18	tinued to trend lower, with Chase Manhattan and Chemical Bank, among the major banks, maying to 10½ per cent. Other major banks' Prime rates range up to 11½ per cent.  Motor Oils lost ground despite	of yesterday was the first day of the monthly trading account, the monthly trading account.  The only weaker sector was to finish on a rather mixed note. Motors, where Valeo shed a FFr 8 to FFr 370.  Oils led the uptrend with Esso at a new seven-year peak of 130.37.
是	Am. Elect. Pwr. 1915 1916 Crocker Nat. 54 34 16 Hospital Co. Am. Berl. 1816 1816 Crown Cork. 2976 5012 Household Fam. Hoist & Dit. 1816 1816 Currimmins Eng. 3234 3414 Houston Ind. Am. Home Prod. 3816 2916 Currims Wright. 2512 2476 Househon Oil Mark. Hosp. Supply Am. Medical int. 4876 45 Dana. 2514 2314 Hoghes Tool Am. Motors. 5 5 Dana. 2514 2314 Hoghes Tool Am. Mat Resease. 4376 4376 Lock Gen. 7656 4226 Rumana.	79	some announcing strong second- quarter earnings. Mobil lost at \$78, Exron \$ at \$71\$ and Texaco \$ at \$39\$.  Xerox, which reported higher second-quarter profits, was up \$ at \$56\$, IBM and Honeywell shed fractions, while Digital Equip.  Second announcing strong second- some announcing strong second- some announcing strong second- some announcing strong second- some announcing also declined, b some Non-farrous Metals firms reflecting higher overseas copp and gold market prices. Don Mining advanced Y17 to Y4 at \$56\$, IBM and Honeywell shed fractions, while Digital Equip.	d. Raffinage FFr 5.9 firmer at Hutchison Whampon and Hong Kong Bank ending unchanged at HK\$11.20 and HK\$17.50
	Am. Standard 645, 645, 645, Detr. 365, 473, Hutton (EP) Am. Standard 291, 291, Mr. Stores. 291, 291, Mr. Stores. 291, 391, Mr. Stores. 291, 391, Mr. Stores. 301, 312, Mr. Store	1566   1586	Bundesbank moves yesterda	disclined to turn back later to activity. However, in some close. However, there were some second-line issues. New World outstanding gains left at the end gained 20 cents to HK\$4.80, of the day, and the Sydney All Jardine Securities 40 cents to Cordinaries Index registered an HK\$10.90. Anderson Asia 25 cents to HK\$10.90.
1910	Anchor Hocks. 16 16 Digital Equip. 767a 7714 Ingersoil Rai	10   10   10   10   10   10   10   10	hardening tendency in busy trading yesterday morning. The measure of liquidity will is added to the money market.  1.7 more to 2,197.5 at noon,Deutsche Bank gained DM 1.3 with gains outnumbering declines on the Exchange by 208 declined DM 2.10 to DM 202.0 to 150. In Montreal, Papers rose	index put on 89.64 at 5,762.94. Copper Mining stocks advanced in response to higher physical metal prices in London and New York, with MIM rising to cents to A\$5.00, Mount Lyell 5 cents to A\$1.85, Bougainville mainly only modestly higher on mainly only modestly higher on
A A B	titlentic Rich	4014   4014   Owens Corning.   29   2918   Texas Comm. Bk   5726   5714	2.88 to 193.79, but Utilities lost of 193.79, but Utilities and balance sheet total.  Among Motors, Daimler rose canada rose 1½ to C\$116½, BP but Volkswagen lost DM 1.5 canada ½ to C\$47 and Husky Oil 194.79, but Utilities lost total.  Among Motors, Daimler rose but Volkswagen lost DM 1.5 canada ½ to C\$47 and Husky Oil 194.79, but Volkswagen lost DM 1.5 canada ½ to C\$48½.  Imperial Oil, which reported increased second-quarter earn Engineerings.	Mining 6 cents to A\$5.20. MIM was also helped by news of a one-for-four share bonus issue.  Elsewhere in Minings, Peko- Wallsend moved ahead 30 cents to A\$5.26 and Hamersley 5 cents to A\$4.40.  On the Industrial heads to gain fresh ground.
	Mangor Punta.   22%   2314   Eastman Kodek.   604   69   Johnson Command.   2614   263,   Eaton   2934   2914   Johnson Command   2614   2616   2914   Johnson Command   2614   2914   Johnson Command   2616   2616   2914   Johnson Command   2616   2914   Johnson Command   2914   2914   Johnson C	tr. 233, 246 Palm Beach. 165e 165e 165e 165e 165e 165e 165e 165e	ings, rose I to C\$45\frac{1}{2}.  Falconbridge Nickel rose C\$4  to C\$124\frac{1}{2}, but Alean Almunium fell C\$1 to C\$35\frac{1}{2}.  Closing prices for North America were not available for this edition.  Public Athority Bonds were steady. with quotes little changed on Wednesday's leve as the Bundesbank sold DM 5.5  nominal of paper after sales of DM 14.6m the previous da Mark Eurobonds were als steady.	e leader BHP recovered 15 cents e to A\$15.05 and CSR gained 10 s cents at A\$7.30, but Tooth shed 7 cents to A\$1.68. Amsterdam Stock prices closed mainly with Alpha printers Greenvale higher, with Philips F1 0.80 and
84 84 84 84	All Industries     115g     115	11-4	CANADA   Stock   July   July   July   23   22     Petrofina   5,780   40   ACF Holding   Agnico Eagle   1578   1634   3614   37   Soc Gen Banq   2,415   -15   Alcan Alumn   2614   37   Soffina   2,415   4,445   4	Price + or July 24   Price + or July 24   Price + or Aust. 3 -   Japan (continued)   Price + or -   Price + or
Bo Bo Bo Bri Bri Bri Bri	oeing         39         40         Faberge         126         117s         Koppera           cise Cascade         3914         3914         Federal Co         5834         43g         43g         Kraft           org-Warner         371s         37         Federal Mogul         171s         171s         17s         Kroohler           riggs Stratn         2634         265s         Fed. Nat. Mort         151s         161s         LTV         LTV         LTV         LTV         Laster Bas. Pt         Lear Stegler         Lear Stegler         Lear Stegler         Lear Stegler         17s         17s         Feldcreat Mi         281s         281s         Lear Stegler         <	275c 275c 451s 451s 451s 451s 451s 451s 451s 451s	Asbestos	88 +0.5 Aaddimco
Bro Bro Bro Bro Bus Bus Bus Bus	271g   261g   261g   271g   261g   271g	261g   26	Brinco   8   8   1512   1434   1512   1434   1512   1434   1512   1434   1512   1434   1512	Stant   +0.2   Stambles Inds.   2.45
CB CB CB CB CB CB CB CB CB CB CB CB CB C	18   18   18   18   18   18   18   18	d   4512   4512   Raytheon   8212   8414   US Tobacco   3512   3412   3282   32712   Reading Bates   4754   49   US Trotacco   3512   3412   US Trotacco   3512   3212   US Trotacco   3512   3412	Cdn   India   2614   2614   2614   Cdn   Pacific   2614   2614   2614   Cdn   Pacific   2614   2614   2614   Cdn   Tire   2614   2614   2614   Cdn   Tire   2614   2614   1234   1334	125 + 2
Ger Cer Cer Cer Cer Cer Cer Cer	### Tech	2078   2078	Costain	173.8m
Constitution of the consti	114   114   115	Sols	Genstar	17,590 —400 North Bkn Hill 3.55 Tokio Marine 600 —5
Chr - Gin - Chr - Chr - Chr - Chr - Chr	McDonaid s    McDo	on. 2612 27 SFN Companies. 2534 25 Whittaker. 2465 2514 2514 32 Wickes	Control   Cont	11,900   +120   Otter Expl
1 Coc Coc Col	ke Cols	1356	Massey Ferg   876   834   834   835   Ferodo   270   870	725 -10 Thos Natwide 2.45 -0.07 Yanuzzki. 538 -1 Tooth 550 Utah Mining 5.10 -0.10 Yoko-sawa Bdge 647 +1 Valiant Consdt. 120x -0.85 SINGAPORE Wastern Mining 5.20 Wastern Mining 5.20 Utah Mining 5.20 Usatern
	INCICES  -DOW JONES 1  July July July July 1980 Since Compil't'n 28 28 21 18 17 16 High Low High Low	· ·	Moet-Hennessy   568   +2	173
Trail Orti Trail	The Binds 75.18 75.55 75.54 75.25 75.06 75.51 (21/7) (21/7	AUSTRIA Credit Aktien 42/1/52) 57,15 87,07 87.55 84,88 82,48 (7/1) 88,55 (25/5) BELGIUM Relgian SE (51/12/58) 94.28 84,50 (C) (c) 186,75 (11/2) 92.14 (21/6) DENMARK Copenhagen SE (1.1/76) 84,78 84,28 85.24 85.21 88,74 (2/1) 74,76 (5/5)	Reed Stenhs A	HK Kowtoon Wh.   14.80   -0.10
	July 18   July 11   July 4   Year ago (approx 5.72   5.93   5.94   5.83     ANDARD AND POORS   July July July July July July July July	GERMANY 51/12/68 255,72 256,50 256.59 255,91 258,89 (25/2) 212,72 (22/6) FAZ-Aktien 51/12/68 255,72 256,50 256.59 255,91 258,89 (25/2) 212,72 (22/6) 867,9 (27 6) 867,9 (27 6) 867,9 (27 6) 87,9 (27 6	Thomson News A   18   1754   Transcan Pipe   255   2454   AEG-Telef   285   2814   28   285   2814   28   2854	73.5 - Ameda 475 -10 Highveld Steel 5.10 -0.66
Picon Inc.	dust's 157,85 128,87 158,48 157,80 157,96 154,85 158,40 111,89 158,40 5.52 (217) (21	ANP-CBS Indust. (1979)   68.4   66.2   66.1   68.4   68.2 (11/1)   58.2 (28/5)   HONG KONG Hang Seng Bank (51/764)   158.57   1128.07 (C)   1188.57   1188.57 (24/7)   758.9 (18/6)   ITALY Banca Comm. Hal (1972)   167.54   107.28   105.84   105.84   107.74 (20/6)   85.11 (2/1)   JAPAN	BMW	Asahi Glass
700 14 201 21	A P/E Ratio   8,02   7.90   7.22   7,87	NORWAY Oslo SE (1/1/72) 125,75 125,90 125.55 127,15 144,78 (14/2) 118.12 (22/6) SINGAPORE Straits Times (1855) 571.57 574.56 568.14 584,78 574.58 (25/7) 429,75 (3/1)	Dresdier Bank   202.6   -2,1   128.5   -1,5   128.5   -2,5   128.5   -1,5   1,5	Price   Fra.   Sept.   Society   Price   Pri
MOI	7689.9470.10.69.84 70.10 55.30 Unchanged 598 596 356 (21/7) .27/8) New Highs 57 1.57 120 New Lows 6 3 1  NTREAL July July July 18 High Low Highs 588.07 384.88 596.94 582.27 425.89 (23/2) 525.21 (27/5) Combined 568.68 564.17 564.58 581.5 2 678.80 (28/2) 296.90 (27/5)	SPAIN Madrid SE (28/12/78) 105,90 105,94 108,49 (c) 105,90 (24/7) 55,76 (15/6 SWEDEN Jacobson & P. (1/1/68) 575,45 574,57 575,48 574,56 589,96 (8/2) 554,72 (17/1, A	Karstadt	1,120
. W	NEW YORK ACTIVE STOCKS  Change  Change  Stocks Closing on Stocks Closing on traded price day	SWITZERLAND Swiss Bank Co. (51/12/58 587.2 588.4 588.0 587.7 517.5 (11/2) 278.8 (22/5)  WORLD Capital intl. (1/1/70) 148.0 148.4 148.8 149.8 (21/7) 120.5 (27/6)  Base values of all indices are 100 except MYSE All Common—50; Standard	Angle   Angl	April   Apri
Fred	7 Investing 675,700 257, -17, Arizona Pb. S. 397,500 19 - 3, 118hard	and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding   H bonds. † 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and   I	Varia   156   158   158   156   15	1,785 10 NOYES:—Prices on this page are as quoted on the 3,590 individual exchanges and are last traded prices. S Dealings

la Tamise S.A. ..... 164% Barclays Bank ........ 16 % Bremar Holdings Ltd. 17 %

Brit. Bank of Mid. East 16 %

Cayzer Ltd. ..... 16 %

Cedar Holdings ....... 17 % Charterhouse Japhet ... 16 %

Choulartons ...... 17

Consolidated Credits... 17 % Co-operative Bank ......\*16 %

Brown Shipley ...... 16 Brown Shipley ...... 16 % Canada Perm't Trust... 17 %

Banque du Rhone et de

BASE LENDING RATES

Bank of Credit & Cmce. 16 % Edward Manson & Co. 17 % Bank of Cyprus 16 % Midland Bank 16 % Bank of N.S.W. 16 % Samuel Montagu. 16 % Banque Belge Ltd. 16 % Morgan Grenfell ...... 16 %

Guinness Mahon ..... 16 % \$ Demand deposits 142%.

**COMPANY NOTICES** 

EUROPEAN INVESTMENT BANK

LEBANESE POUNDS 50.000.000

7'4% 1973/1985 BANQUE INTERNATIONALE

LUXEMBOURG S.A. announces that the seventh annual redemption instal-ment of LL 5.000.000 due September 14th, 1980 has been entirely purchased

LEGAL NOTICE

IN THE MATTER OF MIDAS ELECTRICAL COMPANY, LIMITED AND IN THE MATTER OF

NOTICE IS HEREBY GIVEN that the

pany, which is being voluntarily wound up, are required, on or before the 10th day of August, 1980 to send in their full Christian and Sumamas, their eddresses and descriptions, full particulars of their debts or claims, and the names and addresses of their

tors of the above named Com-which is being voluntarily wound

ors (if any) to the undersigned LAURENCE JACK GERRARD,

Chartered Accountant, of Adam House, 14, New Burlington Street, London, WIX 2BU

London, WIX 2BU
the Liquidator of the said Company
and, if so required by notice in writing
from the said Liquidator, are, personally or by their. Solicitors, to come in
and prove their debts or cleims at such
time and place as shall be specified
in such notice, or in default thereof
they will be excluded from the benefit
of any distribution made before such

ol any distribution maria before sucl

is 14th day of July, 1980. LAURENCE JACK GERRARD,

Luxembourg. July 25th, 1980.

Keyser Ullmann ..... 16 % Knowsley & Co. Lid.... 18 % Langris Trust Ltd..... 16 %

National Westminster 16 %

Norwich General Trust 16

P. S. Refson & Co. ... 16

Schlesinger Limited ... 16

Security Trust Co. Ltd. 17

Standard Chartered ... 16

Trade Dev. Bank ..... 15

Trustee Savings Bank 16

Twentieth Century Bk. 16

United Bank of Kuwait 16

Wintrust Secs. Ltd. ... 16

Yorkshire Bank ...... 16 %

MUNICIPAL FINANCE AUTHORITY

Cdn\$25.000.000 94% NOTES DUE 1982

EUROPEAN COAL & STEEL

COMMUNITY

**BRITISH GAS CORPORATION** 

US\$60,000,000 --- 9 per cent

Guaranteed Notes 1981

Holders of the above Notes are advised that copies of the Annua Resort and Accounts of the Sritist Gas Corporation for the year ender the March. 1980 are available from S. G. WARBURG & CO. LTD.

I'M has declived the others because of a solicy of fair play and value for money. Succession on 10-5-0 am. Disco and other procession and the procession succession and the second secon

SARGOYLE, 69. Dean Street. London W1. NEW STRIPTEASE FLOORSHOW CLOSE ENCOUNTERS \*\* 11-2.30 am. Shows at Midnight and 1 sm. Mon.-Fri. Closed Saturdays 07-437 6455.

Pursuant to the terms and cond of the Notes, notice is hereby giv Noteholders that, during the 6-1 period ending June 30. Con52,000,000 of such Notes

SPITICH COLUMBIA CAMADA

no amount: Cdr/\$20,400.000

Principal Paying Agent KREDIETBANK S.A. Luxumboorgeoise.

Whiteaway Laidlaw ... 161%

Williams & Glyn's ..... 16 %

Ryl Bk. Canada (Ldn.) 16 🕏

Rossminster .....

E. S. Schwab .

deposits 144%.

Lloyds Bank .....

#### BY RHYS DAVID, TEXTILES CORRESPONDENT

# Blue jeans' gold paves the way to international success

THE BIG U.S. jeans companies sized companies are therefore apart from the U.S., has 27 watch each other very closely. So it was perhaps inevitable last year of Koracorp, a medium-sized sportwear group, one of its main rivals, Blue Beli the Wrangier brand company -would respond with its own purchase, Jantzen, a famous name in swimwear and other leisure clothing. The moves by the two groups

U.S. CLOTHING INDUSTRY

management consultants.

tent, have become much cheaper

The world's fascination

is one benefit

to make in low-cost countries

and for this reason most of the

big U.S. shirtmakers, including

Manhattan and Phillips-Van

Heusen, import a proportion of

East. Some of the big U.S. shirt-

There has also been a major

increase in co-operative ventures

with neighbouring countries, in

being cut in the U.S. and

shipped out for sewing. Under

U.S. legislation the garments

processed in this way are sub-

on value added.

ing for

ject on re-entry only to a tariff

Jeans manufacture is less

labour-intensive --- "bottoms"

as they are known in the trade

and with their close proxi-

mity to large-scale denim pro-

ducers and economies of scale in supplying the vast U.S. mar-

ket, domestic jeans makers can

still compete with overseas pro-

ducers. This, in turn, has given

them the strength, however, to

overseas markets,

move into overseas manufactur-

thereby taking advantage of

strong demand for American

the same time reducing depen-

dence on the U.S. economy.

strategy,

analysts point out, has been to

opportunities and take advan-

a balance

come in fewer sizes than "tops

made American shirts

the product made.

amount to more, however, than a sign that both are anxious to step up efforts to broaden their product range away from jeans -still representing more than half Levi's total sales of \$2.1bn last year and a similarly dominant share of Blue Beil's \$1bn. The acquisitions are evidence that the trend towards concentration which has been apparent in other industries in the U.S. and Europe but which has tended to pass the clothing industry by, is now gathering

At present the top ten U.S. their branded lines, which are made under contract in the Far clothing companies, with annual worth about \$6bn. account for roughly 20 per cent makers also have marketing operations selling Hong Kongof the industry's total and there are altogether around 15,000 companies competing for sales. Industry analysts believe, however, that the number may be down by as much as two-thirds by 1990, with the heaviest casualties among medium-sized companies with a turnover in the \$10m to \$40m range.

The main pressure behind the restructuring now taking place has been the growth in imports, a problem familiar enough in Europe. Imports, mainly from the Far East, have increased from only 6 per cent of the market in 1967 to more than 20 per cent in 1979. Over the past year they have been kept at around this figure as a result of the negotiation by the U.S. of tight bilateral agreements with 18 leading suppliers under the GATT Multi Fibre Arrangement (MFA), and the weakness of the dollar and the long-heralded recession have also acted as

Once the U.S. economy begins to strengthen, however, the level of imports is expected to rise again, and according to some forecasts could take 40 per cent of the market by 1990. It is the bigger groups, that have proved best able to adapt to this growdevelopment of new strategies carefully located for increasing both the inter-

depressants.

beginning to come under a two-plants in 11 countries, supplies way squeeze, from low-cost Europe from plants in Malta that following Levi's acquisition imports and from the bigger and the Ivory Coast, as well as domestic groups which have from higher-cost sources such been able to re-organise to meet as Belgium and the UK. The overseas competition," argues company has an interest with Mr. Stig Kry, Chairman of Kurt Riegel, one of its principal U.S. Salmon Associates, the U.S. suppliers, in a denim plant in the Ivory Coast and also buys The extent to which comin tops from the Far East for panies have become involved in sale in Europe and Australia, international operations has where it has recently become tended to vary, depending on the biggest domestic jeans Shirts, bemanufacturer through the acquicause of their high labour con- sition of a local company, Amco.

The other factors pushing the industry in the direction of rationalisation and consolidation are the high cost of the new for American casual wear automated equipment now be coming available, and the need for expensive marketing support to develop strong brand names both of which are essential for companies hoping to survive against imports. "Most companies in the industry are seriously under-capitalised and so cannot afford to mechanise. says Mr. Tom Roboz, president of the American Apparel Manufacturers' Association (AAMA). "The U.S. industry is in many

respects behind Europe in its centive to catch up becaues of our own low labour costs and unfavourable depreciation terms. It is now clear this has got to change.'

While much of the automated equipment the industry needs is relatively inexpensive, the systems enabling the greatest savings to be made are very costly and beyond all but the biggest groups. Hughes Aircraft and Camsco are offering computerised pattern preparation systems to the industry - the latter's system at a price of \$225,000. Another advanced piece of equipment, a Gerber numerically-controlled machine, runs \$450,000. The orders for these systems which cut down on labour have, as a result, been coming mainly from the industry's giants, such as Blue Bell, Levi Strauss, Cluett Peabody, and Kellwood.

The pattern likely to emerge Western-style clothing, while at according to Mr. Stig Kry, is a two-tier apparel industry in the U.S. with a small number of groups dominating segments of seek out attractive marketing the market - with their own as well as imported merchaning competition, through the tage of them from factories dise - leaving perhaps oneon the third to one half of the market to smaller firms whose success national scope of their opera-such considerations as logis-will depend on product inno-tions and specialisation within ties costs, and reliability of serwill depend on product inno- products.

-a zipper in the "jaws" of the Scott tester.

sector will tend to be volatile high by Far Eastern standards with new firms being created as they are beginning to look others disappear from view.

This trend towards consoliago in a number of other now a basic rate of less than \$4 an mature" industries, is already hour. Productivity levels are being felt in some clothing products where conditions have been favourable for big company dominance. In nevertheless heavily branded sector—five U.S. manufacturers have 50 per cent of the market, and in jeans itself Levi, Blue Bell and VF have around half U.S. sales. In men's shirts Arrow and Van Heusen, together with two store brands Sears and J. C. Penney, dominate, while in women's bras five groups

have two-thirds of the market. The leaders in all these cate. gories, according to Mr. Kry have been able to establish a strong brand image, and high output volumes over which to spread promotion. They also widespread distribution across the U.S. and earn by apparel industry standards very have in the future, are demandhigh profits.

The growing strength of the big U.S. groups clearly has important implications for the way in which the clothing trade internationally will develop over the next decade. As imports into the U.S. market of cheaper products increase, the big American groups are likely to national trade in clothing will look to exports of branded products for growth, and for the foreseeable future look like enjoying the benefits of a weak dollar and the world's fascination for American casual wear

modest by European standards. Clothing workers in the U.S. are dation, which took place long largely non-unionised, and earn ago in a number of other now a basic rate of less than \$4 an high, however, because of the importance within the wage payment system of incentives. The men's industry is also receiving conunderwear-a standardised but siderable assistance from the U.S. authorities for the development of its export activities.

> The main threat to the ambitions of the big groups, could come from the spread of pro-tectionism around the world including the U.S. itself. The big jeans groups, though able to manufacture economically in the U.S. at present, would clearly like to retain the flexibility to increase their sourcing from overseas. Partly for this reason groups like Levi vigorously support free trade. By contrast smaller producers fighting a rearguard action against imports and fearful of the impact. China's clothing industry could ing through the AAMA a

The big groups are confident, however, that current trends towards growing international trade will not be reversed but perhaps at worst only slowed down. Strong growth in interopportunities for sizeable companies that have the management strengths to take advantage," argues Mr. Kimsey Mann, president of Blue Bell,

tightening up of the next round

of the MFA.

If Mr. Mann is right, and his certain product areas. "Medium-vice. Thus Blue Bell, which, leadership. This small-company though U.S. labour costs are Bell's judgment has been sound growing.

clear lessons for Europe. Prolonged pressure from imports has resulted in a major thinning-out of the clothing sector in Europe and a big reduction in jobs. Unlike the U.S. Europe has been slow to develop big groups able to take advantage. of multi-national sourcing of production, economies of scale and strong brand identity to dominate in certain products

Interestingly enough, however, where this industry concentration is beginning to happen, it is with the same products as in the U.S. - jeans, where Lois the Spanish firm is developing a multi-national scale of operations; bras, where Tri-umph of Germany is important across Europe; and men's underwear, where the French firm, Hom has strong representation in a number of major markets The main trans-national clothing brands in Europe are, never theless, very often American evidence yet again that U.S. industry has been quicker to exploit European integration than European concerns.

The pattern emerging in the U.S. is therefore complex. Imports as in Europe, are likely to remain an issue, and pressure

U.S. corporations will continue to dominate world markets

for further controls will continue as more jobs are lost. Total employment in the U.S. clothing industry has already dropped from 1.4m 10 years ago to 1.25m, with the impact, as in Europe, hitting weaker sections of the community and small towns with few alternative employment opportunities. As the activities of the big

groups show, however, responsi-bility for clothing the American people — and the profits from doing so — is unlikely to pass completely to the developing countries. Through their multi-national operations it will be American corporations which will continue to dominate large parts of the world market. Moreover, if the major growth of the big jeans groups and their expansion into new markets and new products is any guide, their influence in other developed parts of the world, including It is also significant that company's record suggests Blue Europe, is also set to continue

# Choosing electricity makes sound business sense

.. Derek Melven, managing director of Aylesburybased TRW-United-Carr, doesn't take decisions without thoroughly analysing the relevant facts and alternatives.

So before deciding on the right energy: source for a new plant installation, Derek took advice from his local Electricity Board's Industrial Sales Engineer. The company which manufactures fastening devices for the automotive industry, now uses electricity in four key areas.

"Working experience is proving that we made the right choice. Increased output, better quality control and improvements in working environment are all coming out very close to forecast", he says.

A compressed air drying unit keeps pneumatic systems going, electric heat treatment furnaces have increased output by half, automatic electro-plating gives closer quality control and electric fork-lift trucks have greatly improved working conditions.

If you'd like to improve your company's operating efficiency, talk to an ISE at your local Electricity Board. His advice and help is free.

#### A FINANCIAL TIMES CONFERENCE

# Spain and the Common Market -Policy and Alternatives

MADRID 8 & 9 October 1980

HEDon Adolfo Suarez Gonzalez, Prime Minister of Spain will give the keynote address on 'The Future of Europe' at this two-day conference. He will be followed by a distinguished panel of speakers who will examine the main aspects and problems of Spain's entry into the Common Market.



Mr Finn Olav Gundelach, Vice President, Commission of the European Communities and HE Don Jaime Lamo de Espinosa, Minister of Agriculture, Spain will be making presentations on the key issues of agriculture.

This Financial Times conference, organised with the Instituto Nacional de Industria and the Instituto de Empresa will provide a unique opportunity for international debate on these important issues in the development of Europe.

Spain and the Common Market-Policy and Alternatives

Please send me full of and Alternatives'	letails of your c	onference Spain an	d the Commo	n Market	-Policy
Name	:	Company	· :	•	
Address					
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كذامن الأحيل

Home Grown Cereals Authority

forecast a record harvest, sub-

ject to the weather, of just under 18m tonnes. This would

satisfy the UK demand for the

types of grain here and leave

under 2m tonnes of barley and

almost entirely to third coun-

tries and would have to be sub-

sidised through EEC arrange-

ments so that they could match

world prices. That the cereals

management committee in

Brussels is worried is shown by the fact that they started

this year's export programme

several weeks earlier than usual. An action which

thoroughly annoyed some UK

users who found themselves

edly worried by the prospects of a bumper European crop

and the fact that the Nine will

be 97 per cent self-sufficient in

cereals if these predictions are accurate. It should be said

here that COPA, the European

farmers lobby, disputes fore-

casts of record crops and

claims that the weather has

I must say myself that in the

course of a drive from Brussels

to Orleans through some of the

best cereal acres of Europe

caused a great deal of damage.

The Commission is undoubt-

suddenly short.

surplus for export of just

These exports would be

# Hunts will | Call for new inquiry into silver yet'

Fortune Magazine the Hunt brothers do not expect to dispose of their silver holdings before the metal regains the real value he and his brother Bunker

believe it has.
In the August 11 issue, Herbert Hunt said, "We're keep-ing our options open, though I personally think the price of silver is very cheap at this - - point."

Both Herbert and Bunker suggested the Government may it found told the magazine the recent have been "over generous" to rebound in sliver prices from a farmers and retailers in fixing low of \$10.80 an ounce has left them "slightly ahead" in all their dealings in the metal since the early 1970s

Both said they still regard the metal as an excellent investment. Bunker said he still expects the gold/silver ratio to move to five-to-one. Herbert Hunt indicated to

Fortune that some securities the brothers owned were liquidated after they obtained a \$1.1bn bank loan.

"But no silver has been dis-posed of, and he (Herbert) expects it will not have to be before the bullion regains the real value he and Bunker believe it has," Fortune said. The terms of the loan were

awful tough -- the collateral is probably eight or nine times as large (as the loan). We're going to work hard getting it paid off," he was quoted as saying. The loan saved the Hunt brothers from dumping their remaining 63m ozs of silver on

depressed market, Fortune Reuter **India** expects higher tea

output NEW DELHI — India's tea output in 1980 is expected to rise to between 570m and 580m kilos from 548m last year, the United Planters' Association of South India (UPASI) said.

UPASI said South India has yet to recover from drought early this year which cut the January-June production to 66.4m kilos from 73.8m kilos in the first half of last year. But it said output in North

increase of between 25m and 30m from last year. UPASI said most tea estates in South India, particularly in Kerala, are likely to end the year with a deficit unless government grants them fiscal

relief. Reuter

India is expected to show an

UK milk distribution

tee has called for a "wide-ranging" inquiry into Britain's milk distribution system Committee worried tha

its investigation of the dairy reduction in UK consumption, sector the Commons Agriculture Committee said there may be scope for reducing distribution margins for liquid milk. It also the maximum retail milk price.

These findings were published yesterday\* as milk producers and distributors awaited the Government's response to a joint request for a further increase in the retail price of liquid milk. They have asked for another 14p a pint from

The Committee also argued in favour of further pressure being put on producers' profits. It said Mr. Peter Walker, the UK Agriculture Minister, should persist in his demands for a freeze on Common Market milk prices in real terms, so as to discourage excess production.

"We cannot escape the un-pelatable fact that there is no painless way of reducing production. If production is to be reduced, some farmers are going to have to produce less, hence to earn less, than they would like to," the report said. the freeze should not be dustry," he declared.

operated in such a way as to

Committee members were worried that further milk price In its first report following rises might result in a sharper which is already declining at nearly 3 per cent a year. This could threaten the country's door-step delivery system which "highly desirable," especially in scattered rural communities and for the elderly and immobile. It also noted that the system was a

> On imports, the Committee thought raw milk should be excluded absolutely, and pasteurised milk only allowed in if it could be shown there would be no attendant health risks. and ultra-heat treated milk only if Continental dairies were brought under the same quality and hygiene controls as operated in Britain.

valuable source of employment.

In principle, however, the Committee favoured giving con- charges. sumers "the greatest practicable" choice of what to buy and how to buy it.

The report was generally well received, though the and for the inquiry were natur-National Farmers' Union was ally welcomed by consumer most grudging in its approval. groups. The National Consumer The very grave situation of UK Council, the Consumerars in milk producers at present had ciation and the Consumers in not been sufficiently appret he European Community ciated, complained Mr. Richard Group were equally unstinting Such a freeze, sustained over Butler, the NFU president. In in their praise for the Comfour to five years, would be the creased returns were needed mittee's recommendations. most effective way of reducing from the liquid milk market overproduction, the Committee "A prolonged price freeze concluded. But it stressed that could destroy the UK milk in-

He recognised, however, that 'Dairy Products.

A PARLIAMENTARY commit-discriminate against British the Committee had made "a careful analysis of the complex EEC milk problems, and welcomed its insistence that there should be no discrimination against UK producers. Its support for free school milk and door-step deliveries and its

caution on imports also found

favour with the NFU chief.

The Dalry Trade Federation, which reprsents dairy processors and distributors, gave what it described as a "qualified welcome," for similar reasons to the NFU's. But—hardly sur-prisingly—it failed to see the need for another inquiry into the distribution sector while an independent firm of accountants was already studying the industry's costings system. Mr. John Owens, the DTF director general, dismissed the suggestion of excess profits. He said dairies made a ip profit on every pint delivered and that had to pay for wages, fuel. Tunning costs and interest If the margin were reduced. doorstep deliveries

insisted. The call for price restraint \*Economic, Social and Health Implications for the United Kingdom of the Common Agricultural Policy on Milk and

would become uneconomic, he

# Bid to end grain ban fails

WASHINGTON - The U.S. House of Representatives has comprehensively defeated an embargo unless the President, attempt to prevent President on or after October 1, imposed Carter from enforcing the U.S. an export restriction "solely on

Justice and Commerce depart- defeated. ments need to enforce the emvotes to one.

Mr. Thomas Foley, Agricul- on Tuesday night ture Commission Chairman, had described the amendment as a and Foreign Affairs Committee fraud on farmers that would not chairman Mr. Clement Zablocki result in new grain shipments promised joint hearings on the to the Soviet Union. It was proposed by Mr. Tom Harkin.

A compromise proposal that would have barred funds for an grain embargo against the Soviet the basis that such an export Union. An amendment aimed at foreign policy or national denying funds to the State, security of the U.S.," was also

Several other anti-embargo bargo, was defeated by 414 proposals were also defeated during the debate which began

grain embargo if the amendments were defeated.

ZINC Official - Unoffici -

months £315, 16, 14, 13. Kerb: Three

ALUMINIUM—Geined a little ground in quiet conditions. A depressed opening price of 1730 attracted little buying interest, and forward metal came back to close the morning at 1738. A aurge of heavy buying during the second afternoon Ring boosted the price to the high for the day of 1736, was the closing price on the late Kerb. The backwardstion widened to 135. Turnover: 12.600 manes.

NICKEL—Lost ground in very quiet trading. After opening at £2,830, lorward metal slipped to £2,825, and declined further to close on the midday Kerb at £2,822.5. The price picked up

\* Cents per pound. # \$M per plcul. † On previous unofficial close.

LME—Turnover 124 (171) lots of 10,000 crs. Morning: three months 704.5, 5, 3. Kerb: three months 704. Aftamoon: three months 715, 14. Kerb:

The essier opening was followed oday by a short steadler period before a £20 dip during the afternoon was held.
to the close. Consumers in the main
remained sidelined but producers were

again in action at the highs, reports Gill and Duffus.

1040.45 -10.5 1050.38 1057.59 -15.0 1074.53 1097.98 -18.0 1117-1096 1139.40 -14.0 1156.39 1162.65 -12.5 1174.65 1186.90 -9.5 1186 1208.18 -9.5 1207

three months 714, 13, 12,

COCOA

Sep 1057-59
Dec 1097-98
March 1139-40
May 1162-65

a.m. tor p.m. tor

2 £ £ £ £ 755-7 -12.5 765-8 -1.5 737-8 +2

ALUMINIUM-Geined a little ground

months £313, 12,

over: 12.600 ronnes.

NICKEL

SILVER

•35.5

In London meanwhile, the International Wheat Council maintained its estimate of 1930-81 world wheat production, covering crops harvested during the 12 months beginning April 1. 1980, at between 440m and 450m tonnes. In its latest market report, published yesterday, it said

this compared with an esti-mated 424.6m tormes in 1979-1980, revised from 424.3m estimated on June 30. The council said its current 1980-81 Soviet production estimate was between 100m and 105m tonnes against 90.1m in

#### Whale hunt ban rejected

By Alan Friedman

THE ANTI-WHALING faction in the International Whaling Commission only just failed yesterday to force a world-wide ban on the hunting of sperm whales. Although the IWC's

plenary, meeting voted 14 to 6 in favour of the ban, this fell one vote short of the three-quarters necessary majority to bring an IWC action into effect. The six nations voting the

resolution down were Japan. Iceland, USSR, Spain, South Korea and Canada, Canada was the only non-whaling delegation to vote against the proposal, a move which caused immediate anger on the part of conservationists attending the meeting.

Shortly after the defeat of the sperm whale ban, a group protestors burned the Canadian flag outside the Hotel Metropole where the IWC is meeting. Yesterday's plenary session

was also undecided on the question of minke whale quotas, in spite of an earlier recommendation by the technical committee to lower the quota by 2.000.

The IWC ends its five-day meeting feday. Still expected is a decision on the fate of subsistence whaling by Alaskan Eskimoes.

#### Caution over European sugar beet prospects

By Our Commodities Staff A REPORT by sugar statistician F. O. Licht indicates that

this week's improvement in the weather over Europe's sugar beet areas will need to be sustained to have any marked effect on European sugar production prospects for the 1980 crop year. Licht's latest beet test in

south east European countries showed that root weight and sugar content were both well below similar counts taken at the same time last year. This was due to heavy rains

and generally cool temperatures over most areas in recent weeks. A sustained period of sun-shine was needed as well as generally higher temperatures to benefit the crop as a whole, about only 4 per Licht said.

**UK CEREALS** 

# Harvest and after

wheat.

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

TUESDAY of this week was the perfect harvest day, with unbroken sunshine, a drying breeze and a temperature in the 70s. Fortunately I was able to take advantage of it, and the winter barley I was harvesting came in with a moisture content which dropped progressively from 22 to 18 per cent as the day went

By evening, the dryer was some four hours behind the combines, but thanks to some overtime was ready and waiting for the next day's start.

The yield in fact was remarkably good, which reversed my gloomy predictions of a light yield because the crops have stood so well in spite of much stormy weather. For this I believe the seven-

week drought in the spring was

responsible, in that it prevented

the straw from growing too

long, which is a characteristic of this particular variety, Sonja. But I am far from being carried away by the results of a couple of fields, some 10 per cent of my total barley. Almost everything can go wrong, and probably will, before all is safely gathered in. I also understand that there has been a great deal of weather damage in some areas and wheat crops look

to be very late indeed. A good point about the weather this cold summer is that it has been just as effective in restricting the incidence of crop diseases as has the multitude of chemicals available for that purpose. I am a firm believer in the cure rather than the preventive approach. I want to see which particular malady I am attacking before I spend the money. This incidentally is exactly the counsel of the Ministry of Agriculture's

The effect of this on farm prices will probably be to keep

But even if the yields look bearish outlook, more farmers will be looking towards this like being reasonable, there is outlet, something they have so no certainty of a bonanza. In a report published this week, the

far avoided. The reasons for this are complex. Up tall now exports and consumption have provided better outlets. Those putting grain into intervention have largely been traders, and they have been assiduous in pointing out to farmers the difficulties

There is nothing to prevent

a farmer from offering his

grain for intervention. It must

of the operation.

conform to certain standards of moisture and quality and must be in lots of not less than 100-tonnes. Many farmers could produce grain of the right standard and in these quantities but have been put off by tales of rejections at the stores, delays in payment, and so on. It is generally reckoned that the cost of putting grain into intervention is the haulage cost to the designated store, probably between £3 and £4 per tonne and in past years the market price has kept just above that differential. This year, however, the quoted price for August feed barley is £88.40 while the intervention price is £96.44. This gap of £8 per tonne will make many farmers think most seriously about the prospect of making offers to the Intervention Board, learning the procedures and making sure that the deliveries will be up to the standards laid down.

They will be stimulated in early this month, I saw more storm damage than ever before. this by the realisation that But it is still too early to say although they have had a theoretical rise of 11 per cent if the harm caused was irreparsince last year their costs of almost everything have risen by almost double that figure, and them at the intervention level. it behaves them to grab every And in view of the generally penny they can.

# Warning of natural rubber shortage

BY DAYID CHOW

advisory service.

LEONARD MULLINS, director of research at the Malaysian Rubber Producers' Research Association has forecast a shortage of natural which will become rubber increasingly acute in the future. He gave this warning at the presentation of the Association's annual report.

He said that while demand for rubber had been rising by an average of 7 per cent a year over the post-war years, production had increased by cent annually.

natural rubber production had become fairly stationary, owing to competition from crops such as palm oil and cocoa. The rubber industry was

In the past three years.

conscious of the need to strive for increased production. Towards this end, rubber for increased experts had gone to Brazil and Mexico to encourage them to produce more rubber, particularly from the guayule shrub. On the price stabilisation

scheme to be introduced under the recently concluded Interna- he added.

AMERICAN MARKETS

NEW YORK, July 24. 332-334 (3355). Merch 340-3412, May THE LATE sell-off in soyabeans was followed by grain and cotton based on anticipations of more moisture and 42.80 (40.80), Feb. 58.65-58.80, March 1997.

tional Natural Rubber Agreement, he said that M\$2.10 (41.2p) per kilo would be used as the reference point for buffer stock operations. This compares with a current price of M\$2.91 per kilo.

Dr. Mullins said that a sufficient number of countries had ratified the Agreement to ensure that the scheme would come into effect. The provisional starting date for buffer stock operations was October 1 this year and the managers for the scheme were being appointed,

42.80 (40.80), Feb. 58.65-58.80, March 59.20-58.90, May 59.40, July 59.75, Aug. 58.80.
Silver—July 1638.5 (1618.5), Aug. 1635.0-1840.0 (1621.5), Sept. ——, Oct. 1685.5, Dec. 1695.5, Feb. 1725.5, April ——, June 1785.5, Aug. 1815.5, Oct. 1845.5, Dec. 1875.5, Feb. 1906.5, April 1935.5, June 1965.5, Aug. 1935.5, Cct. 2035.0.

#### **BRITISH COMMODITY MARKETS**

BASE METALS COPPER Lost ground on the London Metal Exchange in fairly active trading. After opening in lower pre-merket trading, forward metal moved up during the morning Rings to close on the mid-day Kerb at £972.5, after £987. The

some signs of profit-taking. The low for the day was £963, and the price strengthened to close the lets Kerb at 2987.5. Turnover: 21,195 tonnes. COPPER Official - Unofficial -££ 950-1 —8 950-1 967-8 —5,25 967-7,5 951 —8 — 922-3 -7 942-4: -1 944-6 -3.5 - ... 923 -7 100-108 ... Amelgameted Metal Trading reported

Amelgamented Mettel Trading reported that in the morning cash wirebars traded at 1951, 53 48, three months 1958, 66, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 67, 68, 68, 67, 68, 68, 68, 67, 68, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68, 68, 67, 68,

TIN-Moved higher in quiet trading.

TIN Moved higher in quiet trading. After open ginin pre-market dealings at \$1,210. forward metal tell during the moming Rings to a low for the day of \$1,200. Good buying at that level left the close on the midday Karb at \$1,215. There was a further decline fluing the atternoon to the \$7,200 mark there again that tavel extracted strong demand and the close on the late Karb less \$7,230, the highest point of the day. The backwardstion narrowed

TIN Official - Unofficial -

Cash..... 301.5-2 3 months 313-4 S'ment... 302 Primw'ts — Standard 7255-50 -5 7180-90 -45
Sandard 7215-20 -.... 7210-20 +10
Sattlem't 7250 -5
Straits E. 1\$2143 ..... New York Morning: Standard, cesh £7,230, three months £7,190, 7,200, 10, 15. Afternoon: Standard, three months £7,200, 10. Kerb: Standard, three months £7,200, 10, 20, 30, 25 20, 22, 30, 25, 30.

LEAD-Lost ground in much quie trading conditions. The range during the morning was between 5369 and 5374, which was the day's best. By middey the price was down to 5365 after profit-taking, and forward metal closed on the late Kerb below the best at 5365.5. Turnover: 7,650 tonnes.

E.m. — or p.m. LEAD Official — Unofficial Cash...... 360.5-1 +3 356.8 -4 3 months 371.5-2 +3.25 367.5-8 -5.76 3 months 351.5-2 +3.25 367.5-8 -5.76 U.S. Spot

Morning: Cash £360, 80.5, 60, three months £370, 69, 69.5, 70, 71. Kerb: Three months £371, 70.5, 71, Afternoon: Three months £370, 71, 70, 68, 68.5. Kerb: Three months £368, 67, 66 65,

ZING — Dipped slightly in quiet trading. The price remained between 6312 and 2315 gil day, and the close was 5312.5. Turnover: 4,850 tonnes. Morning: Three months 6313. Kerb:

ELG. Index Three month Gold 654.6-664.6 Qur clients speculate, free of tax, in very small to very large London Traded commodities, including GOLD.

The STERLING/DOLLAR exchange rate.

LG Index Limited, 73, The Chase, SW4 0NP. Tel: 01-622 9192

Lead. The outlook for prices The latest Special Report from Inter Commodities takes an in-depth look at the lead market, and forecasts likely trends in prices over the months For a complimentary copy, and details of our investment services simply send us the coupon.

Sales: 2,608 (2,426) lots of 10 tonnes.

COFFEE A lack of fundamental news, continued warm weather in Brazil and bearish chart interpretations prompted further long liquidation in Robustas and new contract lows were registered during an active session, reports

Draxal Burnham Lambert. Volume increased substantially during the afternoon due to producer participation and £ £ £ £ £ 501.5-2 -5.25 300-2 4 513-4 -3 313-,5 -2.5 ..... values recovered from the lows to stage a late rally.

COFFEE £ per tonne 1261-59 39.51270-48 ... 1301-05 26.01310-75 ... 1317-20 39.01326-93 ... 1525-30 38.01354-25 ... 1291-97 41.01315-90 ... 1295-10 37.51305-00 ... 1320-49 30.51350-59 March ..

Salea: 8.698 (4.281) lots of 5 tonnes. ICS Indicator prices for July 23. (U.S. cents per pound). Other Mild Arabicas 154.67 (155.00). Robustas ICA 1978 147.00 (same). ICA 1968 147.25 (same). Unwashed Arabicas 207.50 (same). Comp. deith ICA 1968 147.25 (same). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 174.03 (174.42).

GRAINS

LONDON GRAIN FUTURES—The market opened lower, selling pressure on nearby options eased value to trade on nearby options eased valus to trade 30p-50p down with March and May options staying slightly firmer, closing 10p-20p lower on the day in thin volume. Barley aaw a large amount on hedge selling pressure and quickly rejetered losses, good commicial buying was seen towards the close, which halted any further fall, and a good two-way trade was seen. Values closed 45p-50p down on the day, reports Acti.

to close on the late Kerb at 5. Turnover: 186 tonnes. a.m. + or p.m. + or Official - Unofficial -Yesterday + or Yesterday + or close — M nth 
 Sept.
 95.75
 -0.50
 90.45

 Nov...
 98.80
 -0.46
 94.70

 Jan...
 102.80
 -0.48
 98.60

 Mar...
 106.35
 -0.18
 101.80

 May...
 109.60
 -0.20
 105.05
 2785-90 -15.5 2780-5 -12.6 2820-5 -12.6 2820-5 -8 Morning: Three months 52,830, 25, J. Afternoon: Three months 52,820,

Business done—Wheat: Sept. 96.00-95.70, Nov. 97.16-98.80, Jan. 103.00-102.90, Merch 108.40-106.20, May 109.65-109.50. Sales: 145 lots of 100 tonnes. Barley: Sept. 90.80-90.35, Nov. 95.00-94.60, Jan. 98.50-98.35, Merch 102.00-101.75, May 186.30-104.85. Sales: 351 lots of 100 tonnes.

Silver was fixed 7.8p an ounce higher for spot delivery in the London bullion market yesterday, at £8.767. U.S. equivalents of the fixing levels were: spot \$16.173. up 21.3c; three-month \$16.529, up 22.fc; six-month \$16.937 up 22.fc; and 12-month \$17.805. up 15.5c. The metal opened at £6.76-£6.84 (\$16.10-16.60) and closed at £6.84-£8.92 (\$16.40-16.60). lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, July 100.50, Aug. 101.75, Sept. 103, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Aug. 96, Sept. 97.25, transhipment East Coast. English Feed fob Sept. 99.50, Oct. 102, Nov. 103.25, East Coast. Malze: French Aug. 124, transhipment East Coast. S. African Yellow July-Aug. 30. Barley: English Feed fob end July 93.75, first half Aug. 92.50, South Coast, all sellers. Rest unquoted.

HGCA — Locational ex-ferm spot prices. Feed barley (new crop): S. East 86.80, S. West 96.95, W. Midlands 88.20, N. Wast 88.40. SILVER Buillion + or L.A.E. + or per fixing - p.m. troy oz. price Unoffici'i

RUBBER

The London physical market opened unchanged, with little interest at higher lavels, closing fairly steady. Lewis and Pear reported an tob price for No. 1 RSS in Kuals Lumpur of 291 (291.25) cents a kilo and SMR 20 at 263 (264) cents (August)

	Close	Close	Done
·			
Aug	SB.90-57.00	57,30-67,50	56.80-56.70
Sapt	58.40-56.86	58.79-58.90	68.3A
Oct-Dec	69,69-60.60	60,70-60,90	61,50-69,50
ian-Mar	64,58 84,48	64,60-64,40	65.00-84.00
Apr- Jne		67,20-67,30	
Jlv-Sent		<b>83.80</b> -69.80	
Oct-Dec		72,58-72,50	
		74,70-74,80	
Aniina	77.80-78.80	77 CO 77 78	70 10 77 0
		- 1.00-[1.18	19-14-11-01
281691	309 (430)	iots of	15 tonnaş,
15 (9) I	iots of 5 1	tonnas.	
Physic	al closing	orices (bu	vari were:
Sport F	175e /56	50m) 'A.	- 64 Fo.

Spot 55.75p (56,50p), Aug. (same); Sept. 61.50p (same). SOYABEAN MEAL The London market opened with gains of £2.00 and moved repidly higher on fresh commission house buying, reports T. G. Roddick. Stop-loss buying extended gains to around £4.00 but general selling saw prices fall away to close with small gains.

	£		
	pertonne	i	
18 <b>t</b>	112.00.16.0	+0.50	_
ber	175.60-15.8	+0.40	119.50-16.00
mber.	110.60-18.8	+0.40	122.50-16.70
uary	121.00-21.2	-0.15	125.20-21.10
•	122,60-28.0	<b>-0.40</b> :	128.50-26.60
	124,00-27.8	+0.75	_
st	124,50.28.0	+0,25	_
	2 (154) lots		

**SUGAR** LONDON DAILY PRICE (raw sugar): E258.00 (E271.00) a tonne cif for July-Aug.-Sept. shipment. White sugar daily price was £307.00 (same). Prices were soon offered some (3.00 below kerb levels, but thereafter quotations were confined within a very narrow trading range throughout the day, reports C. Czemikow.

No. 4 Yest'rdays Previous Business Con. Close Close Done Aug. .... !271,80.75,00;278,90.77,00;270,00.88,60
Oct .... 298,05-96,20;501,50-01,75|502,50-292,0
Jan .... 508,50-09,00;512,00-15,00;512,00-36,00
Mch..... 518,00-18,00;321,75-21,90;325,00-14,00
May. ... 316,25-18,40;318,50-18,25;518,20-12,95 ......807.08-87.25 615.75-14.80 314.00-87.00 .....809.50-01.00.508.00-08.75 810.00

NUMBER 2 CONTRACT-Close (in

Sales: 3,002 (3,681) lots of 50

**WOOL FUTURES** 

BRADFORD WOOL — Buying was patchy, even effowing for holidays. Trading was generally at prices well below quoted fevels, especially for more average types.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyers, sellers, business, sales). New Zealand cents per kilo. Aug. 360, 370, nil, nil; Oct. 363, 370, 370, 4; Dec. 369, 372, 373-372, 17; Jan. 370, 376, 375-374, 6; March 373, 377, 376-375, 26; May 377, 380, 379, 25; Aug. 380, 384, 382, 10; Oct. 382, 383, 5; Dec. 382, 383, 383, 382, 382, 10; SyDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). order: buyer, seller, business, sales). Australian cents per pound. Oct. 450.0, 451.0, 453.0-449.5, 68; Dec. 455.5, 458.0.

**POTATOES** 

LONDON POTATO FUTURES Fine weather caused further selling this morning, with stop loss orders putting April sharply lower, although only for a short time. Lower values attracted buyers, and interest continued from trade and commission house sources

#### PRICE CHANGES

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£6.00, codlings £3.80-£4.50. Large haddock £4.20-£4.80, medium £3.40-£4.20, small £2.30-£2.80. Large plaics £6.20.

medium f6.00-f8.40, best small f4.00-f5.20. Skinned dogfish (medium) f8.00. Lemon soles (large) f8.50, medium f7.80. Saithe f2.20-f3.00.

**MEAT/VEGETABLES** 

MEAT COMMISSION-Average fatstock prices at representative merkets on: July 24. GB—Cettle 75.98p per kg lw (+0.64). UK—Sheep 134.10p per kg est dcw (=0.31). GB—Pigs 66.08p

COVENT GARDEN-Prices in sterling

per package except where otherwise stated: Imported Produce: Oranges—
Brazilian: Navels 3.00-4.00; Moroccen: 54/113s 3.00-5.00; Cyprus: Valencia Letes 1.00-2.50; Californian Sunkist: Valencia Letes 2.00-2.71/13e 4.80-8.00

Valencia Lates 72/1138 4.80-8.00; Out-span: Protea/Navels 2.50-5.15; Jeffa: 144/168s 1.25-1.50. Lemons—Italian:

per kg lw (-3.00).

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales), Aug. 27.00, 27.50, 279.60-275.50, 247; Oct. 305.10, 305.40, 312.50-303.00, 891, Sales: 1.138 (1.050).

Tats and Tyle ex-refinery price for granulated basis white sugar was £342.5 (sams) a tonne for home trade and £348.00 (£354.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Carlobean port). Prices for July 23. Daily price 27.53 (26.80); 15-day average 28.92 (27.16).

461.0, 463.0-449.5, 66; 962. 467.0. 458.0, 455.5-453.5, 62; March 457.0. 458.0, 490 0-456.0, 46; May 459.5, 480.0, 451.0-459.0, 37; July 452.0, 463.0, 464.0-463.0, 14; Oct. 464.0, 484.5, 464.0-484.0, 2; Dec. 464.0, 465.0, 465.0-464.0, 4. Sales: 231.

In tonnes unless otherwise stated.

July 24 + or Month ago	coller temperatures. The cattle markets were lower on a technical corrotieon while the pork complex was sharply higher on very low marketings. Precious metals railled sharply on good	Aug. 58.80. Silver—July 1638.5 (1618.5), Aug. 1635.0-1840.0 (1621.5), Sept. ——, Oct. 1685.5, Dec. 1685.5, Feb. 1725.5, April
Metals Aluminium2810/815	overseas buying, copper was moder- ately higher. Sugar rallied after a private service indicated that Europan best crop is still questionable. Coffee	1845.5, Dec. 1875.5, Feb. 1905.5, April 1935.5, June 1965.5, Aug. 1995.5, Oct.
Cooper	was limit down. Cocoa declined	†Soyabeans—Aug. 736-734 (762%).
5 mths£967.25 -0,50£805.76	sharply as Ghana reported imminent departure of freighters with heavy	
Cash Cathode 1919 -4.5 1815 à mths 1943 -1.5 1844.5	shipments, reportd Heinold.	785, July 785, Aug. 785.
	Potatoes (round whites)—Nov. 88.6- 90.0 (87.8), March 123.0 (121.6), April	Soyabean Meal—Aug. 199.0-199.5 (206.3), Sept. 201.5-202.0 (208.7), Oct.
Lead Cash. £367 4 £322,5 5 minths. £567.75 -3,76£331,25 Nickel. £3,248,55 £5,248,35	152.0-153.5.	203.5-202.5. Dec. 209.5-207.5. Jan.
Nickel	Sugar—No. 11: Sept. 29.10-29.20 (28.43), Oct. 29.95-30.10 (29.21), Jen.	210.0-309.0, March 212.0, May 213.3, July 215.0-215.3, Aug. 216.6-218.0.
1 1	31.75, March 31.65-31.80, May 31.20-	Sept. —.
Platin mtr'y oz £182.50 £182.50 £182.50 Free mkt £277.16 +3.25 £278.75	31,25, July 30,70, Sept. 30.10-30,20, Oct. 29.80-29.85.	Soyabean Oil — Aug. 28.40-26.35 (27.33), Sept. 26.58 (27.58), Oct. 26.78.
Quickslivert \$395/405 \$381/380 Silver troy oz 676.70p +7.80 588.30p	CHICAGO, July 24.	Dec. 26.95-27.20. Jan. 27.00, March 27.15. May 27.25. July 27.30. Aug.
3 mths	Lard—Chicago locas 23.00 (22.00). New York prime steam unavailable.	27.15. May 27.25, July 27.30, Aug. 27.20-27.30, Sept. 27.20-27.30.
Tin Cash	Live Cattle—Aug. 72.75-72.85 (73.17), Oct. 70.25-70.30 (70.80), Dec. 70.90-	†Wheat—Sept. 451-451 <sup>1</sup> z (459), Dec. 487-468 <sup>1</sup> z (477), March 479, May 480.
Tungsten 22,040 \$142,65	71.00, Jan. 71.60, Feb. 72.00-72.15,	July 480°2, Sept All cents per pound ex-warshouse
Zinc dash	April 73.65-73.70, June 74.75. Live Hogs—Aug. 44.10-44.15 (43.15),	unless atherwise stated. *\$ per troy ounce. • Cents per troy ounce
Producers, \$780 5780	Oct. 41.95-41.80 (41.35), Dec. 45.35-	## Cents per 56-ib bushei. # Cents
Coconut (Phil) \$670 x +5 \$640	45.25, Feb. 48.60-48.70, April 47.67, June 50.35, July 51.60, Aug. 50.30,	per 60-lb bushel.    \$ per short ton (2,900 lbs). § \$Can. per metric ton.
Groundnut I	Oct. 46.05. #Maize—Sept. 325 <sup>2</sup> 2-327 (327 <sup>2</sup> 4), Dec.	§§ 5 per 1,000 sq. feet. ‡ Cents per dozen.
Linseed Crude, £413 £406 Palm Malayan, \$560: £547.50		
Seeds !!!	EUROPEAN MAR	KETS
Copra Philip\$450: \$455 Soyabean(U.S.) : \$274	ROTTERDAM, July 24.	April \$338 sellers, Nov. \$320-\$321
Grains	Wheat-U.S. No. 2 Dark Hard Winter, 13.5 per cent, July \$208, Aug. \$210,	traded. Argentine July \$301, Aug. \$301,25. Sept. \$307. U.S./Brazil Aug.
Barley Futures £94.70 -0.50 £95.70	Sept. \$212, Oct. \$213, Nov. \$218, Dec. \$200, Sept. \$204, Oct. \$207 U.S.	\$313.50 sellers.
Franch No3AM ‡ ‡	No. 2 Northern Spring, 14 per cent,	Soyameal—44 per cent protein U.S. affoat \$242, July \$244, Aug. \$253,50.
No.1 Red Spg.) : :	July \$218, Aug. \$219.50, Sept. \$221, Oct. \$223.50, Nov. \$226.50, Rest	Sept. \$259, Oct. \$265,50, NovMarch \$270 traded. Brazil Pellets July \$260,
No 2HardWint £97# £96 Eng, Millingt ‡	unquoted.	Aug. \$268. Sept. \$272, NovMarch
Other	Maizs—Affoat \$160, July \$161, Aug. \$160, Sept. \$161, OctDec. \$164.75,	\$268 treded. PARIS, July 24.
commodities Cocos ship t£1,104 —15 £1,127	JanMarch \$171.50 sellers, July \$159.50 traded.	Cocoa (FFr per 100 kilos)—July 930, Sept. 998-1005, Dec. 1026-1050, March
Cocca ship t £1,104 -15 £1,127 Future Sept. £1 058 -15 £1,071 CoffeeF t'Sept. £1,302 -26 £1,586.5	Barley—Aug. \$171.50, Sept. \$173.50, Oct. \$175.50.	1075-1090, May 1100-1115, July 1107-
Cotton A.Indexi89.25c   +0.7083.65a	Soyabeans-U.S. Two Yellow Gulf-	1117. Seles at cell 2. Sugar (FFr per 100 kilos)—Oct. 2935-
Rubber (kilo) 55,75p Sugar (Raw) £268 -3 £324	ports Aug. \$309.50, Sept. \$317.25, Oct. \$322.50, Nov. \$322.50, Dec. \$327.50.	2950, Nov. 3010, Dec. 2990-3005, March 3111-3140, May 3090, July 3060, Aug.
Woolt ps 64s kl. 288p kilo 291p kilo	Jan. \$331, Feb. \$332.50, Merch \$337.50,	3050, Oct. 3030. Sales at call 1,

DOW JONES

INDICES

FINANCIAL TIMES July 23 July 22 Mnth ago Year ago 278.01 273.41 267,26 286.61 (Base: July 1, 1952=100)

MOODY'S July 23 July22 Minth ago Year ago 1198.3 1181.4 1171.4 1082.9

July July Month Year 25 22 ago ago Spot .. 434.49 450.93423.61406.34 Ftur a 448.69 446.08446.08412.96 (Average 1924-25-26-100) REUTERS July 24 July 23 M'nth ago Year ago

16 96.7 1691.6 1676.9 1538.4

(Base: September 18, 1931 = 100)

22-lb 3.00, Coq d'Oro 3.00. Apricota— Spenish: 2.40-3.00; Greek: 4.50-5.00. Grapes—Per pound Cyprus: Cardinal 0.35. Sultana 0.50. Melons—(sreeli: O.35. Sultana 0.50. Anelona—Israeli:
Ogen 3.00-4.00; Spanish: Ogen 3.30,
Yellow 10-kg 2.50-3.00. Water-Melona—
Spanish: 2.20. Baranas—Jemeloan:
28-lb, per pound 0.17. Tomatoes—
Dutch: 2.60-2.80; Guernsey: 2.60-2.80;
Jarsey: 2.60; French: 12-lb 2.20.

Valencia Lates 72/113s 4.80-8.00; Outtrade and commission house sources to close slightly up on the day, reported to close slightly up on the day. Per bod 1.50-1.50. Condenses Sprilah: 5.40-5.80; English Produce: Potatoss—Per bag. 1.80-2.40. Mushrooms—Per bag. 1.80-2.40. As 2.60-2.40. Mushrooms—Per pound 0.13-0.18. Broad close slightly interested a cone movement by operators. Attention was centred on cartinum African and Middle Eastern growths.

\*\*HIDES—Manchester: alightly firmer.\*\*

Second clears. Ox 31-35.5 kilos 32.1p a slightly firmer.

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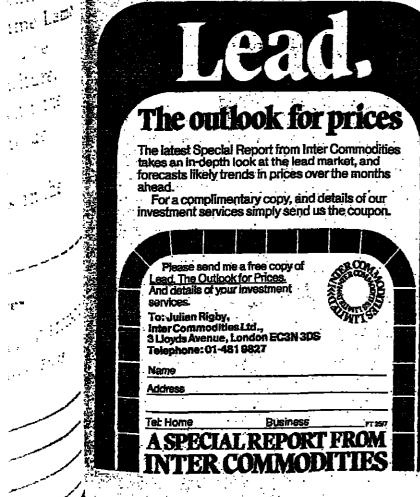
Second clears. Ox 31-35.5 kilos 32.1p a slightly firmer.

Seco

#### Egypt to boost long-staple cotton output

EGYPT is to encourage production of long staple cotton to meet growing world demand, Dr. Abdel-Razzak Abdel-Meguid, deputy premier for financial and economic affairs said in Alexandria yesterday.

Egypt has enjoyed bumper cotton crops in the past two years and with prices rising, cotton's prominence as a foreign exchange earner is being re-established. The price Egypt's much sought-after long staple cotton is likely to keep pace with increases in the price of oil, said Dr. Abdel-Meguid.



# Interest centres on possible 'dawn-raid' candidates and particularly Turner and Newall-Gilts react late

Options

\*First Declara- Last Account Dealings tions Dealings Day Aug. 11 Aug. 28 Aug. 29 Sept. 8 July 14 July 24 July 25 Aug. 4 July 28 Aug. 7 Aug. 8 Aug. 18
"New time" dealings may take
place from 9 am two business days

London stock markets turned cautious after the decision to leave Minimum Lending Rate this week at 16 per cent. Earlier, leading equities had nudged forward on the chance of a cut and the Government securities market saw the activation in first-time dealings of the new medium £20-paid tap stock. Treasury 111 per cent 1991 "A."

After refusing a bid of 20% for supplies of the tap issued on Wednesday at 20, the Government broker sold stock at 204 and this steaded the market. But profit-taking became more forceful towards the close in popular stocks such as Treasery per cent 2000 and the reaction was swift in the absence of buyers of any size.

Sentiment was not belped by speculation about some Dis-count Houses having overbought and the longs lost early gains of

Ex'roise Closing Vol.

LONDON TRADED OPTIONS

Closing offer

Jan,

Similarly, the shorts slipped back to overnight list levels from slightly higher prices which had been indicative of a better trade than of late.

Recause of the prevailing apathy in equities, traders became engrossed in guessing the next dawn-raid candidate. Turner and Newall, up 14 more at 131p, were a bot favourite and, following continued heavy buying from one source, it was suggested that the business may be affected this morning; other likely candidates included British Sugar and Sirdar.

The strength of Turner and Newall offset the overall duliness in constituents of the FT 30-share index, which closed 1 up at 487p. Talk of a large fund-raising operation being in the offing, perhaps this morning, began to be heard in the afterhours' trade.

Canadian primarily responsible for a sharp upturn of 98 to 935p, after 945p, in Bow Valley; recently, bid speculation has flared and a Press report yesterday suggested Dow Chemical as a possible

Vol. Closing vol.

159p

128p

264p

\_ 361p

---

Career concretom	bre adire
in Traded options	with the
number of contracts	completed
amounting to 1,009,	
remained in demand,	attracting
289 deals, while 156 to	
struck in Courtaulds,	
Energy Capital out	on 6 for

a two-day gain of 16 to 96p in recently-issued equities. Hall Brothers Steamship, recently back from suspension following the offers for Brint Investments.

#### Discounts easier

A rising market of late in sympathy with firm gilts and on 510p, while Alexanders, 275p, Cater Ryder, 383p, and Gerrard and National, 285p, all lost 5. Interest in the major clearing banks remained at a low ebb but Midland edged forward a couple of pence to 352p in front of today's interim results. Profit-taking clipped 10 from Leopold Joseph, 190p. among mixed Joseph, 190p, among mixed merchant banks where Hill Samuel receded 4 to 137p. Schroders gained 15 to 310p in Elsewhere, thin market. Lloyds and Scottish put on 3 to 173p and FNFC were active but

In a quiet Insurance sector. Hogg Robinson improved 3 to 1230, still reflecting the slightly better-than-expected annual

Interest in the drinks sector was confined to selected Wines A good two-way ousiness was again reported in Distillers with institutional buvers lifting the shares 5 to 213p. Awaiting the report from the Secretary of Trade concerning the contested Hiram Walker offer. Highland rose to 145p before settling for a gain of 4 at

In Buildings, Higgs and Hill jumped 241 to 92p on an unwelcome bid approach. Gough Cooper, the subject of a "dawn raid" on Tuesday when Starwest Investment acquired a 29.5 per cent stake in the company, struction, a dull market of late on lack of support, picked up 10 to 138n, while Alexander Russel rained 9 to San, the latter in a thin market.

After opening higher at 376p. ICI drifted off and closed a counte of pence to 140p, while Leigh Interests revived with a

movements were usually limited prompted a fall of 8 to 294p in Income, 8 firmer at 272p. to a couple of pence either way.

Metal Box. Bowater closed a Shippings were mixed. An exception was provided by penny off at 184p; the group has Gussies "A." 6 lower at 436p. Among secondary counters, the auditor's qualification of the facturing capacity. De La Rue, company's accounts continued to at 800p, retrieved the previous unsettle Cope Sportswear, a day's fall of 30 that stemmed penny cheaper for a two-day fall

of 7 at 16p.

Air Call stood out in Elecrose 17 to 257p in a thin market tricals with a speculative rise of 11 to 203p. Automated Security rose 10 to 305p, after 315p. following favourable results. while Laurence Scott finished a couple of pence harder at 60p. hopes that interest rates would after 57p. despite the dividend fall further. Discount Houses cut and armual deficit. MK put turned down on profit-taking on 6 to 204p and Energy Serfollowing the MLR announce-vices 13 to 324p. Still reflecting ment. Union cheapened 15 to news that the group has sealed the U.S. deal to sell its EMI medical division,

Engineerings Interest in focused upon companies reporting trading statements. Corporation touched 91p before closing only a net penny lower on balance at 93p with the maintained dividend outweighing the 40 per cept annual profits 165p. after 163p, on disappointing interim results, but Mining Supplies hardened a penny to 135p, after 140p, in response to the doubled dividend and increased earnings. Tace put on 2 to 25p following the half-yearly results and Astra Industries gained 21 to 141p on recovery hopes. ML improved 5 afresh to 300p and Westland rallied the same amount to 120p. Wolseley Hughes again came on offer and shed 7 to 248b, while British Aluminium, 185p, and Adwest. 169p, relinquished 5 and 4 respectively. Of the leaders. John Brown softened a fraction

few pence to 138p. Associated Dairies closed 6 up at 194p, after 200p; last year, the preliminary results were announced towards the end of August. British Sugar added 6. to 246p, on 'dawn raid' rumours, while Avana put on 7 to 160p, also on speculative interest.

to 5210 awaiting today's prelimi-

nary results. Tubes gave up 4 to 276p and Vickers dipped a

#### Turner and Newall good

Up 6 the previous day on speculative buying fuelled by revived talk of a bid from Barlow Rand. Turner and Newall jumped 14 more to 131p yestercounte of nence cheaper on day as the market anticipated an balance at 372n. Among other liminent dawn raid. Other Chemicals. Coalite hardened a miscellaneous industrial leaders glosed mixed with sentiment not unduly affected by the unchanged preliminary results.

MLR decision. The chairman's Investment Trusts

stated that it may close down most of its UK newsprint manufrom the chairman's comments at two-day fall of 28 at 340p. the AGM. J. Bibby rose 5 to 196p on buying ahead of the interim figures due on August 6 and European Ferries closed 3 after Wednesday's rise of 8. better at 185p. after 187p, on the announcement that the company is to sell its Holborn

office development. Enterprise House, for £24.5m.

Motors traded quietly. York Trailer, 22p, recovered 4 of the previous day's fall of 6 which followed the first-half loss and dividend omission. Dull of late after disappointment with the annual results, Dowty rallied a couple of pence to 223p.

Properties closed a easier for choice on end-Account selling. MEPC finished 2 cheaper at 225p, after 229p, while Great Portland Estates, 268p, and Haslemere Estates, 352p, both shed 4. Capital and Counties eased 2 more to 113p on Costain's decision to sell its 9.97 per cent stake in the company, while County and District, awaiting the outcome of bid discussions with Costain, closed 5 off at 195p. after 185p: Newarthill, a major shareholder in County and District, gained 9 to 263p in a

#### Secondary Oils dull

Secondary Oils weakened arresh unsettled by another broker's adverse circular and the Government's plans to delay new North Sea oil production, but closing levels were, slightly above the worst in places. Lasmo closed 15 off at 715p, after 695p. while Carless Capel finished 6 cheaper at 148p, after 143p. Tri-centrol gave up 10 to 342p and IC Gas 14 to 816p, while Clyde loist 15 to 490p. Among the leaders, Shell eased 6 to 420p, but British Petroleum hardened a couple of pence to 348p. Elsewhere, Double Eagle put on 17 to 165p and Warrior gained 20 to 170p on speculative buying. while Global Natural Resources

rose 25 to 500p. Lonrho closed a penny cheaper at 108p ex-the rights issue; the new nil-paid shares opened at 29½p premium and touched 30½p premium before closing around the day's low of 26p premium. Elsewhere in Overseas Traders. Inchcape fell 10 to 425p ahead of Monday's Investment Trusts were more

and Hill, Lonrho, Minster Assets W. L. Pawson, Leslie Gold, STC. County and District, Burmah, Otter Exploration, Charterhall, Hampton Trust, Strata Oil, Town and City Properties, House of

Gold Mines index responded with a rise of 4.5 to 377.2 per cent, its best level since February 29.

Among the heavyweights, new

and £13! respectively. Lower and

rise in the latter. . The strength of Golds coupled with favourable Press mention

Australians were mixed: Golds

persistent buying throughout the day reflecting the recent strength of metal prices in the wake of the strike by U.S. copper workers. Mount Lyell were particularly wanted and advanced 9 to 95p while MIM Holdings touched 245p before easing to close 2 up on balance at 2400 following the proposed one-for-four scrip issue

fresh news from the Woodada No. 2 appraisal well in the Perth reference at the annual meeting subdued than of late but move. Mining dipped 5 to 42p.

Leading Stores again traded to the group's disappointing ments of note included Wemyss, without distinction and price start to the current year 7 better at 327p, and Derby Trust 7 better at 327p, and Derby Trust

Shippings were mixed. P & O Deferred rose 4 to 130p and Ocean Transport added 21 to 131p, but the chairman's gloomy remarks on the outlook continued to depress British and Commonwealth, 16 down for a The absence of a rumoured "dawn raid" prompted profitaking in Sirdar, 6 lower at 86p

#### Late gains in Golds

After trading within narrow limits for most of the day, South African Golds moved ahead strongly in the after-hours' trade as the bullion price advanced to close \$10 higher at \$641.50 an emanated from the U.S. although persistent London interest was also reported. The

1980 highs were recorded in President Steyn, I better at £191. Western Holdings, 1 up at £33; and Vaal Reefs and Southvaal which added around 1 to £311

issues showed Kinross 12 ahead at 620p. after 606p, and Elandsrand 38 to the good at a high of 458; Johannesburg buying in a market short of was responsible for the sharp

lifted Impala Platinum by 12 to 328p. but Rustenburg slipped a further 4 to 256p.

were quietly steady throughout morning but moved ahead in the afternoon as the bullion of Kalgoorlie ended 4 harder at 424p, North Kalgurii rallied from 88p to close unaltered on balance at 90p and Poseidon recovered from 206p to close a net 3 up at 212p.

Base-metal stocks

Energy stocks remained under

a cloud in the absence of any

#### FINANCIAL TIMES STOCK INDICES 73.54 71.91 71.98 75.98 72.24 72,49 73,34 74.08 73.93 73.84 75.76 73.11 75.02 74.95 Fixed Interest.... 487.0 486.0 486.7 495.0 497.3 498.9 461.5 industrial.... 377.2 672.7 361.5 358.8 355.5 360.2 158.4 Gold Mines... 7,44 7,45 7,45 7,30 7,29 7,29 6.6 Ord. Div. Yield... Earnings, Yid. 2(fulf) 18.05 18.09 18.09 17.72 17.69 17.68 17.2 6.66 6.66 6.80 6.81 6.83 7.25 6.67 PIF Ratio (net) (\*).... Equity turnover £m., - 159,23 125,21 137,83 148,75 160,18 18,510 17,445 18,405 18,455 19.746 11,845 Equity bargains total 10 am 487.2. 11 sm 487.8. Noon 487.7. 1 pm 465.3.

2 pm 486.7. 3 pm 485.5. Latest Index 01-246 8025. +Ni!=6.23.

Beats 100 Govt. Secs. 15/10/26: Fixed Int. 1928. Industriel Ord. 1/7/35. Guld Mines 12/9/55. SE Activity July-Dec. 1942.

#### S.E. ACTIVITY HIGHS AND LOWS

	15	980	Since Co	impliat n		July 24	
	Hìgh	Low	High	Low	-Dally	1	
Govt Secs.	72.54 (21/7) 74.08 (24/7)	63,85 (7,5) 64,70 (19,3)	127.4 (8/1/38) 150.4 (28/11/47)	(6/1/76): 50,53	Gitt Edged Industrials Speculative. Totals	104.1 39.0	146.4 34.1
Ind. Ord	503,1 (16/7)	405.9 (8/1)	558,6 (4/6/79)	49.4 (26/6/40)	5-day Avige. Gilt Edged	126,5	131.9
Gold Mines	377.9 (29/2)	265.5 (18/8)	442.5 (22/5/75)	48.6 (26) 10/71)	industrials Speculative. Totals	126.3	154.9

#### NEW HIGHS AND LOWS FOR 1980.

NEW HIGHS (73)

Sank of Monreal Process Cont. of Sow Valley
BANKS (5)
Allen Harvey
1975-83
Lloyds & Souths
1975-83
Lloyds & Souths
1975-84
Provident Financ
BUILDINGS (4)
French Kier
Higgs & Hill
Pochin's
CHEMICALS (2)
Coalite
CTORRES (2) STORES (2)
Brit. Home Stores Brown (N.)
ELECTRICALS (4)
Air Call (hora EM) 7pc
Automated Security Pref. 1992-99

TEXTILES (1)

BP. Sec Pref.

**NEW LOWS (26)** BRITISH FUNDS (1) AMERICANS (1) Burroughs Corp. Burroughs (1) Herwood Williams CHEMICALS (2)
Thurser Bardex Yorkshire STORES (3)

#### RISES AND FALLS YESTERDAY

Corpns. Foreig	Funds Dom. and In Bonds	12	4 336	2 5
Financia Oils	als Prop.	181 58 13	135	
Plantati Mines Others	Of IS	- 39 51	54 55	6
Totals		431	619	1,40

#### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

_		<del></del>						_			
	EQUITY GROUPS	Т	Thur., July 24, 1980						s., Mor y Jul 2	n., Fri., y July 18	Year ago (approx.)
Fig	& SUB-SECTIONS  ures in parentheses show number of stocks per section	Index No.	. Day's Change %	Est. Earnin Yield ' (Max.	5 Div. % Yield %	(Net)	Index No.	Inde No.			index No.
1	CAPITAL GOODS(172)	278.79	-0.2	16.61	5.89	7.26	279.28	281	75 286.6	4 286.9	239.06
2	Building Materials (28)			17.50		6.69	262.88	264			
3	Contracting Construction(27)		-0.4	22.30		5.35	435.66	419.	77   423,1		
4	Electricals (16)	797.65	! —	12.39		10.01	797.46	802.			
5	Engineering Contractors (11)	327.90	-0.5	20.71		6.06	329.47	333.9			
6	Mechanical Engineering (74)	180.50	-0.5	17.82		6.82	181.49	184.			
8	Metals and Metal Forming(16) CONSUMER GOODS	170.17	-	21.20		5.67	170.20	170.1	_		
. 11	(DURABLE) (49)	229.69	-0.3	14.40		8.36	230.43	232.4			
12 13	Lt. Electronics, Radio, TV(14)	341.51	-0.4	11.24		10.91	342.90	347.4			
14	Household Goods (14)	97.38 103.24	-0.3 -0.1	24.88		5.07	97.63 103.32	98.5 102.7		- 1	
17	CONSUMER GOODS	30324	-0.1	احددا	9.60	5.20	103.32	102	79   103.9	5 104.10	110.29
21	(NON DURABLES) (172)	234.77	-6.2	17.65	6.89	6.85	235.24	236.2	9 239.5	3 239.40	230.46
22	Brewerles (14)	285.76	-0.3	15.86		7.36	286.72	286.6			
23	Wines and Spirits (5)		+22	19.20		6.13	309.24	307.8			
-24	Entertainment, Catering (17)		-0.4	17.19		7.21	337.27	336.9	2 343.5	6 345.32	301.68
25	Food Manufacturers(21)	214.59	-0.3	18.95		6.20	215.25	217.2			195.52
26	Food Retailing(13)	347.01	+6.7	12.16		9.81	344.53	345.1			
32	Newspapers, Publishing (13)	441.44	-0.4	21.63		6.24	44311	443.5			
33 34	Packaging and Paper (15)	136.79	-0.7 -0.2	26.12	1	4.45	137.82	137.1			
35	Stores (45)	227.52 126.37	-0.2	13.87 26.62	5.53 12.50	9.40 4.68	227.96 126.62	229.4 128.1			
36	Tobaccos (3)	223.70	-13	25.66	10.41	4.44	226.67	228.7			
37	Toys and Games(5)	26.16	-13	8.59	14.57	26.90	26.51	26.9			
41	OTHER GROUPS (99)	227.59	+0.3	16.16		7.35	226.82	228.3			
42	Chemicals (16)	318.38	-0.5	19.49	7.57	5.88	319.88	321.0	5 324.2		
43	Pharmaceutical Products (7)	231.89	+0.5	10.91	5.97	11.33	230.83	230.3			
44	Office Equipment (6)	104.15	-0.3	19.44	7.97	6.00	104.42	106.4		1	
45	Shipping (10)	600.97	+0.9	12.77	5.87	9.55	595.75	602.9			
46	Miscellaneous (60)	284.45 251.31	+1.1	15.74 16.82	6.49	7.79	281.41	284.4	-		,
51	INDUSTRIAL GROUP (492)	796.53	-0.1 -0.5	28.87	6.45	7.16 3.82	251.50 208.38	253.1 806.9			
弱	Oils (8)	294.55	<del>-0.3</del>	19.28	6.50	- 6.08		•			1
61	500 SHARE INDEX	233.26	-0.2	17.20	5.43		295.02 233.78	2%5 2341			
.62	FINANCIAL GROUP (118) Banks(6)	236.61	-0.2	41.83	6.96	 291	236.64	237.9			183.70 218.96
63	Discount Houses (10)	298.14	-1.7	<del></del>	5.95		303.18	296.8			
64	Hire Purchase (5)	253.41	+0.7	12.23	3.95	10.66	251.56	246.6			161.98
65	Insurance (Life) (10)	232.65	-0.1	_	5.47	_	232.89	232.4			
66	Insurance (Composite) (9)	156.88	(	<b>—</b>	6.86	- 1	156.74	157.5			118.68
67	Insurance Brokers (9)	343.83	-0.2	13.51	6.71	10.16	344,41	344.6			
68	Merchant Banks (12)	140.56	-0.3		5.05		141.61	140.7			96.32
69	Property (45)	435.59 142.23	-0.6 -0.6	3.30 14.54	2.68 6.15	42.59 8.74	438.17 143.14	438.5 143.5			351.85
70	Miscellaneous (12)			14.54		0.74					116.67
71	Investment Trusts (109)	263.76 243.84	-0.3 +0.6	11.07	5.33 4.05	10.89	264.46 242.39	267.0 244.9			202.83 112.16
81 91	Overseas Traders (19)	415.38	-0.6	11.53	7.13	10.56	418.07	472 1			325.83
39	ALL-SHARE INDEX(750)				637	الحريية		284.4			240.71
77			<u>  </u>		1 0.11		TO	<i></i>	, 1 TOO'T	.   201.44	1 270.71
				T	FIX	ED INT	EREST		Тия	Wed	Year

FIXED INTEREST PRICE INDICES							Y1	INTEREST ELDS Av. Gross Red.	Thus., July 24	Wed., July 23	Year ago (approx_)
	British Government	Thur., July 24	Day's change %	xd adj. today	xd adj. 1980 to date	1 2 3	Low Coupons	5 years 15 years 25 years	11.26 11.18 11.18	11.21 11.12 11.12	10.16 10.60 11.03
1 2	Under 5 years	106.57 115.09	+0.03 -0.36	-	6.05 8.02	4 5 6	Medium Coupons	5 years 15 years 25 years	12.58 12.49 12.42	12.53 12.42 12.35	12.29 12.18 12.07
3 4	Over 15 years	122.83 135.99	-0.44 -	<b>-</b>	7.61 7.24	7 8 9	High Coupons	5 years 15 years 25 years	12.81 12.88 12.70	12.79 12.82 12.63	12.46 12.46 12.46
5.	All stocks	114.59	-0.26	-	7.87	10	Irredeemables		10.83	10.83	10.56
			- 1-	hurs., Ju	Ju	ed.	July : Ju	y y luly   July	s. Wed.	July	Year ago

15 20-yr. Red. Deb & Loans (15) 55.45 115.38 54.61 54.57 54.46 54.38 54.34 54.10 55.83 58.47 Investment Trust Prefs. (15) 50.94 13.25 51.28 51.28 51.28 51.28 51.19 51.19 49.71 49.71 51.50 Coml. and Indi. Prefs. (20) 68.10 13.19 68.25 68.25 68.10 67.06 67.10 65.34 65.30 72.22

# **ACTIVE STOCKS**

υ	enonmos	- OI	CIUSIUE	Change	TAOO	1900 )
Stock	tion 1	marks	price (p)	on day	high	low
LASMO		14	715	-15	830	337
Logirho "New"	Nil/po	1. 10	26‡pm	ı —	30 <del>1</del> p:	m 25}pm
Premier Cons	. 5p ်	8	89	- 3	109	391
Assed. Dairies	. 25p	6	19 <del>4</del>	+ 6	200	160
De La Rue	. 25p	6	S00	+30	835	530
GEC	. 25p	6	474	+ 2	494	326
Impala Platinum	R0.20	6	328	+12	358	240
ICĪ	. £1	6	372	- 2	402	348
Imperial Group	. 25p	6	79	<b>~ 1</b>	89 }	71}
Barclays Bank		5	410	_	430	327
BP	. 25p	5	348	+ 2	412	320
Burmah Oil	. £1	5	201	<b>– 3</b>	249	162
Carless Capel	. 1 <b>0</b> p	5	148	- 6	166	68
Hampton Trust	. 5 p	5	64	+ 2	68	15
Fricentrol	0.5	5	342	10	414	250

#### **OPTIONS** Land, FNFC, Premier Oil, Higgs

First	Last	Last	
Deal-	Deal-	Declara-	Settle
ing	ing	tion	ment
ul. 21	Aug. 1	Oct. 23	Nov.
Aug. 4	Aug. 15	Nov. 6	Nov. 1
lug. 18	Aug. 29	Nov. 20	Dec.
or rat	e indica	tions see	end o

Fraser, BP and William Collins A. Puts were arranged in GKN Stocks favoured for the call and Distillers, while a double included Tebbitt Bros.. British was completed in FNFC.

#### RECENT ISSUES **EQUITIES**

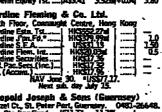
Issue	d Up	1980		Stock	Series Cores			말바람		
Price p:	E.	٥٥٥	High	Low	<u> </u>	25. 25.47	Ţ-	چ کا چ	289	>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
	F.P. F.P. F.P.	20:6  27:6 27:6	110	215 74 3 79 91 67	Energy Capital (12/p) ir/Hall Bros. ir/Hall Bros. it/Hankin & Purser. Oakwood Group. Peerfess. ir/Rolfe & Nolan 10p, TS.P O. Minerals 10p Utd. Electronic 20p.	257 86 712 80 93 69	    1  2	 b2.9 b6.5 b6.3 t1.0	2.411 2.89.	8 4.6 1 19.5
FIXED INTEREST STOCKS										

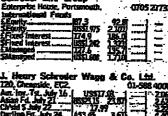
#### F.P. — 69 63½ London & Midlandinds 8½ po Deb. 89-94 69 F.P. — 102 101 Outwich 102 Pref. — 101 £10 8/8 1434 11½ South Staff, Water 9½ Rd. Pf. 185. — 1434 £10 29/8 1514 1512 Sunderl'd & S.Shields Wtr 9½ Rd. Frf. 1985 1514 "DIGHTS" OFFFDS

"RIGHIS OFFERS									
issue Price	Issue 50 Latest Renunc.		1980		Stock	Oloeing prices pt	+ or		
P\$ 1	ļ <b>5</b> 6	i e	E	High	Low		92	-	
65	Nil I	5,8	: 1/9	. 30pm	241 <sub>2</sub> pm	Anderson Stratholyda	241 <sub>2</sub> pm	·—21-	
105	F.P.	14:7		127	117	Astbury & Madeley	121		
	F.P.		8,9		146	Berisford (S. & W.)	164	+1	
18		7:8	12/9	12nm	910m	Brengreen	12pm	+2	
115		417	1.8	144	124	Srown & Jackson	140	+4	
100		3/7	7/8	189	112	Carless Capel	144	10	
55		22,7	15/8		64	Charterhall.	64	i	
54		1/8		22nm	1600	Clive Discount	22pm		
92		30.7	12.9	460m	31 nm	Coalite	48pm	42	
50		25.7		9100	85nm	Crest, Nicholson	88pm	ı	
	F.P.					Harrison & Grosfield	737		
76		30.7		20 cm	1100	Hazelwood Foods	17pm	i	
263	F.P.			368	307	Land Securities	366	+2	
126 .	Nit		8,8	175am	197 nm	Lloyds & Scottish	175pm	1+5	
80	Nil	: -	. 0,0	ZOLES	76 : ne	Lonrho	26 icpm	179	
52	Nil	90.7	95.0	20-m	ZDE Pog bu	Mallinson-Denny.	17pm		
60cts	1 OH	2011	49/0	- 425 am	10055	Pancontinental	520pm	_	
10		. –		- Pappm	: 192bu	Sturia	oeobii	į+ <b>5</b>	
	Ni	21.7	25.0	1 313 bu	. apm	Thurgar Bardex	3pm		
1212	Nil	3111	26,8	1 Thu	, <del>4</del> pa		14 PM	) <del></del>	
المرابع والمسابل والقاطي والمساب والمسابق									

#### UNIT TRUST SERVICE

**OFFSHORE &** OVERSEAS—contd.

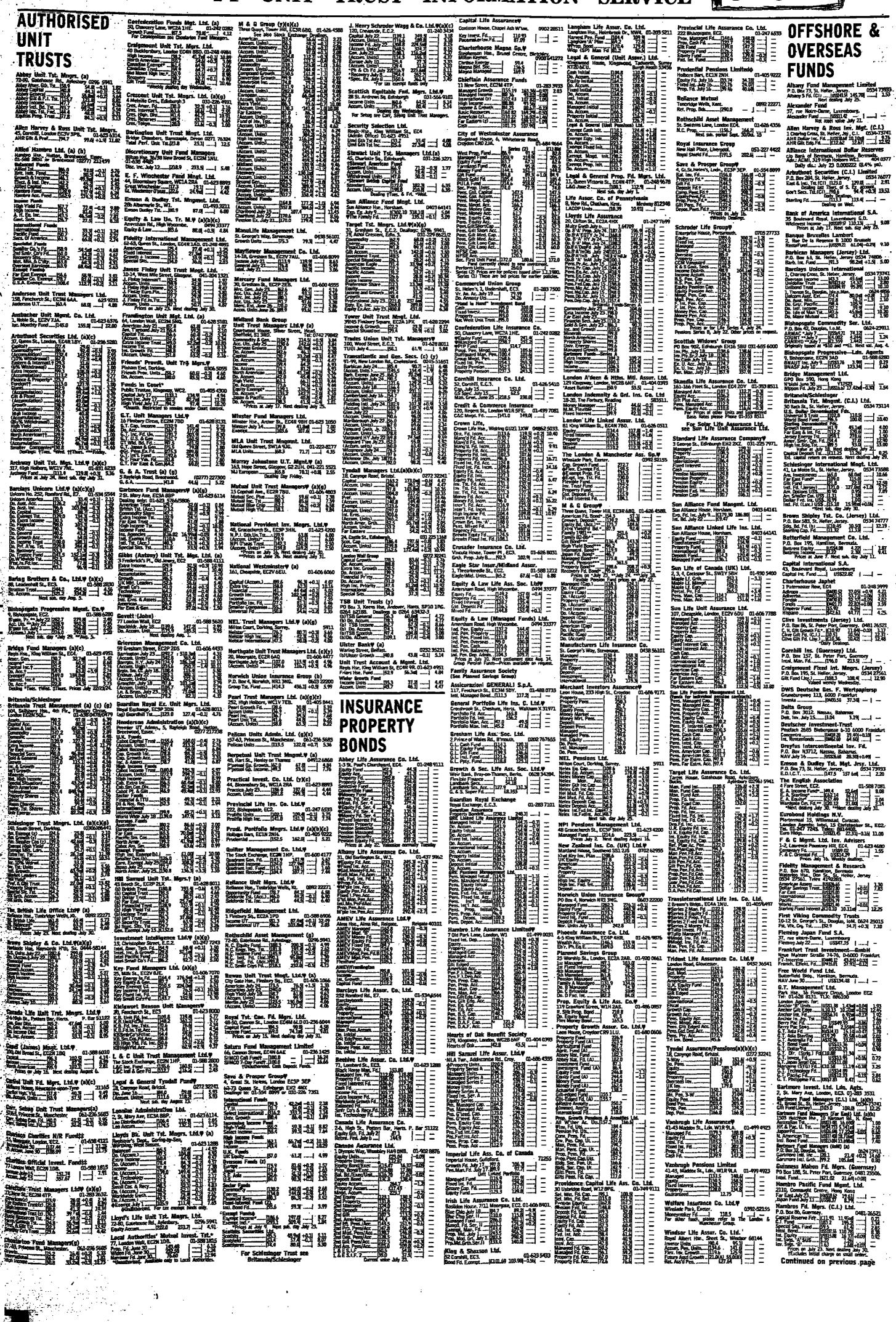




Stock How

T(E

هكذامن الأحهل



That's BTR

Public Board and Ind.

FOREIGN BONDS & RAILS
1990 | Price | + or | Dr. % | Red.
1910 | Stack | £ | - | Stress | Yield

**AMERICANS** 

63<sup>1</sup>2 -1 7.91 11.75 83 ...... 13.93 14.75 29<sup>1</sup>4 ...... 10.50 12.59 99 ...... 9.23 .... 91<sup>1</sup>2 + <sup>1</sup>2 10.60 13.10

3 530

32 10.17 3 6.87 2 6.87 24 6.87 25 12.11 27 12.11 6 12.14 522 7 10.17 6 2 9.50 32 3.90

Price + er Dir. Yild

642 | 563 | Agric. Mt. 5pc '59-89 | 33 | 7312 | Alcan 104.pc '89-94 | 25 | Met. Wtr. 3pc '8' | 103 | 89 | U.S.M.C. 9pc 1982 | 8512 | Do. without Warrants | Financial **BRITISH FUNDS** FINANC

994 | 964 | FFI 13oc 1981 ... |
10112 | 934 | Do. 14pc 83 ... |
88 | 792 | FFI UK Fel5-goth 70-2

822 | 712 | Do. 64-goth 70-2

802 | Do. 10-3c Urs.Ln. 76-7

934 | 82 | Do. 114-gc Urs.Ln. 78-7

101 | 842 | Do. 124-gc Urs.Ln. 79-7

102 | 645 | 56 | Do. 74-gcA Dc. 79-94 |
762 | 642 | Do. 99c A. 71-94 ... |
7112 | 61 | Do. 87-goth. 72-97 ... | "Shorts" (Lives up to Five Years) Five to Fifteen Years

Over Fifteen
Tressny 12/ac '95#...
Tress. 14pc '96.
Tressny 19/ac '96#...
Tressny 19/ac '96#...
Tressny 19/ac '96#...
Redempion 3c 19/6 '96
Tressny 13/ac '97#...
Exchequer 10/ac 1997
Tressny 3/ac 1997#...
Tress. 15/ac '98#...
Tressny 3/ac '999#...
Tressny 3/ac 1999#...
Tressny 10/ac 1999...
Tress 19/ac 1990...
Tress 19/ac 1990... Undated INTERNATIONAL BANK [5pc Stock '77-82 ...... | 87<sup>3</sup>4 | ...... | 5.73 | 12.15

Over Fifteen Years

Funding Sapt 87-91# Each 11pc 1991. Treasury 123pc 92# Treasury 13pc 92# Erchequer 123pc 92. Erchequer 123pc 93# Freasury 123pc 93# Freasury 13pc 193# Treasury 143pc 94# Erch 123pc 1994. Treasury 9pc 94# Treasury 9pc 94# Treasury 12pc 95. Gas 3pc 90/95. Exch. 103pc 1995. Exch. 103pc 1995.

CORPORATION LOANS 97/4 63% Bath 11/4pc 1985.... 97/4 ...... 11.88 12.63 98/4 89/2 Birm'ham 12/2pc 1985 98/4 12.66 12.78

COMMONWEALTH AND **AFRICAN LOANS** 

AMERICANS

AMERICANS

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AMERICANS FINANCIAL TIMES **PUBLISHED IN LONDON & FRANKFURT** Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London. Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1. Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1. INTERNATIONAL AND BRITISH OFFICES

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CHARGE INFORM

Michael (J) 100
Milletta Leis 20p
Mothercare 100
MSS News 100
Parson (W.L.)
Peters Stares 100
Peters Stares 100
Polly Peck 59
Preedy (Alfred)
Polly Mare 100
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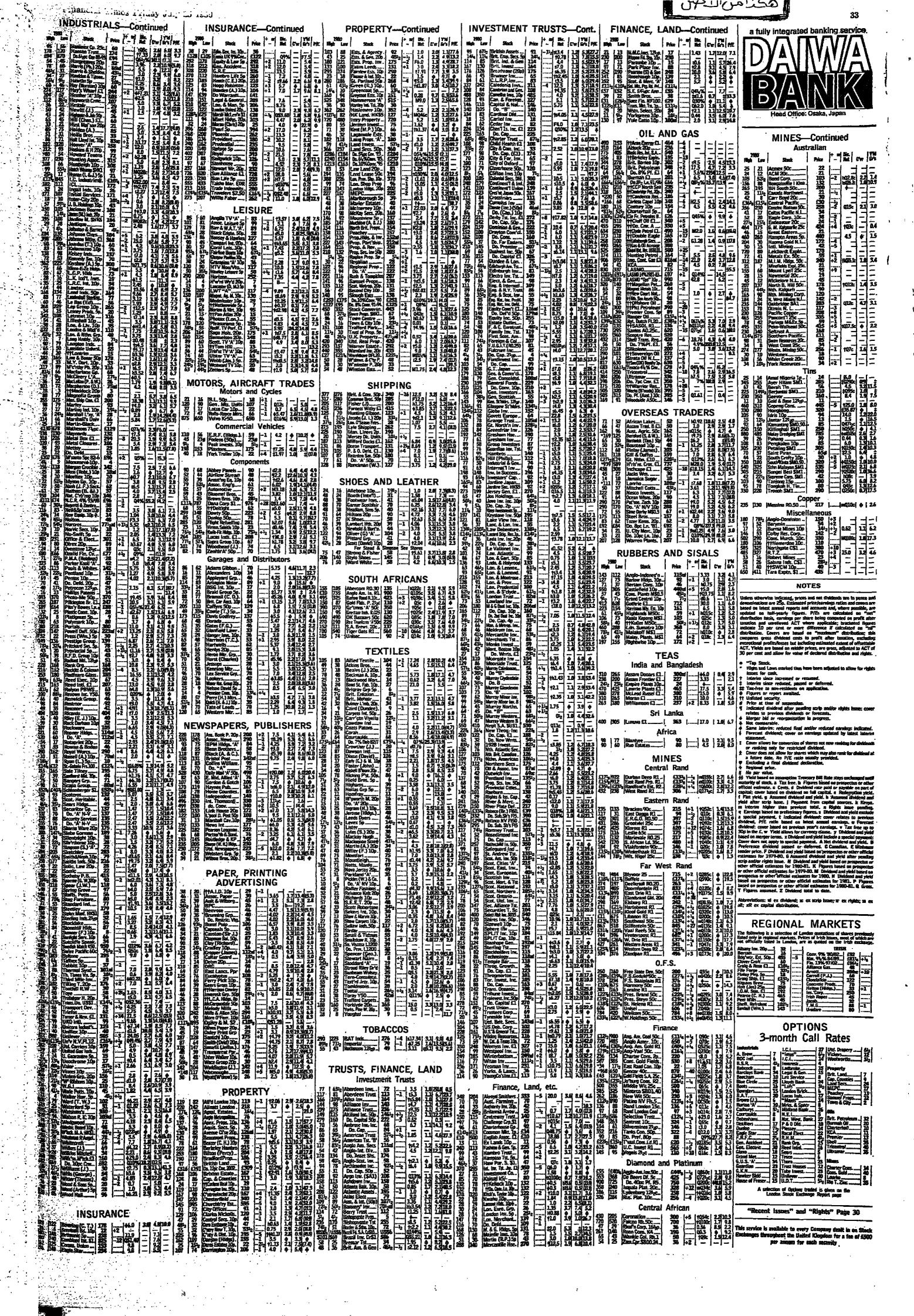
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# FINANCIAL TIMES

Friday July 25 1980



# Labour call for import curbs

BY CHRISTIAN TYLER, LABOUR EDITOR

THE LEADERSHIP of the Labout Party formally committed itself yesterday to import controls as a necessary step towards reversing the decline of industry.

Publication of a policy statement on trade and industry, drawn up with TUC leaders. marks an important shift to-ward protectionism, or "trade management." as it is being called, by Labour moderates including Mr. James Callaghan. the Opposition Leader.

Although Left-wingers in the party may claim to have effected the conversion. Mr. Callaghan stressed that the measures proposed were the result of a joint assessment of a decline that was becoming calamitous

He said that defensive trade measures should be voluntarily negotiated with other Governments, including those of the EEC, where possible. But if that failed he did not rule out unilateral action.

Yesterday's paper from the TUC-Labour Party liaison committee, an important pointer to to co-ordinate policy. future discussion of the Labour manifesto, says that a new ence called to launch the national planning body may be policy statement, members of

**Dutch trade** 

union backs

jobs before

A BIG Dutch trade union has

come out in favour of main-taining jobs, even if its mem-

bers have to accept a tem-

porary reduction in their

incomes. This proposal by the 310,000-strong Industrial Union of the Netherlands Trade Union Confederation

(FNV), could have a far-

reaching impact on Dutch

The Industrial Union, re-

presenting works in metals.

textiles and chemicals, will

seek agreements with employers and with the Government aimed at keeping

cover such matters as corpor-

ate investment, Government aid to industry, employment

levels in a particular company

or sector, job conditions, re-

cruitment, training and re-

The union's proposals come when unemployment in the

Netherlands is worse than at

any time since the Second World War. Unemployment

rose by nearly 16,500 in June

The union has decided that

emphasising employment is the only way of achieving its

second main priority, main-

taining incomes, said Mr. Arie Groenevelt, the union's

chairman. Wage claims did

not lead to any increase in

jobs, he said when he launched the union's medium-

term policy document Look

The ideas in the plan will

now be put to union members

for approval at a Congress in

December, when the Socialist

and Catholic unions which make up the FNV's industrial

section, will formally merge.

Several other large unions

belonging to the FNV confederation said they were

surprised and disappointed at the Industrial Union's plan.

Unions representing the food.

building, service and trans-

port sectors said they had not

been warned of the proposals,

which amounted to relin-

quishing the confederation's

triple aim of maintaing

incomes, obs and the level of

The employers' organisa-tions and the 260.000-member

Federation (CNV) reacted

Trade

Union

welfare provisions.

are 24 or younger.

agreements would

labour relations.

and creating jobs.

training.

pay rises

By Charles Batchelor in Amsterdam

SENIOR ministers are maintaining their determination to stick by the Government's economic strategy despite pressure political growing following sharp unemployment increases, writes Richard

Mrs. Thatcher faced angry protests from Labour MPs when she told the Commons yesterday that workers unable to find jobs near their homes, should be prepared to move to areas where employment was

She stressed that unemployment prospects depended in part on wage settlements made

Mr. Callaghan said it was not yet known what that machinery would look like. The committee is to carry out a separate study. He referred back to the old Economic Department Affairs and the last Government's ad hoc committees as examples of previous attempts

After a joint Press confer-

in the next pay round, and on the speed with which interest rates could be permitted to

There is no question of a pay norm in the next round, and ministers expect a wide range of settlements based on individual local circumstances.

The responsibility of management to pay only what can be afforded through additional productivity is being stressed. Ministers also want to help school leavers and other young people without jobs.

soon about more cash for current schemes. Parliament-Page 10

An announcement may come

the TUC Economic Committee went to see Mr. John Nott, the Trade Secretary, to demand Government support for import penetration targets which have been drawn up by various sec-

tors of industry.
Textiles. clothing, motor tyres and electronic goods were mentioned. The TUC pointed out that other Governments were not shy of defending their own ailing or strategic indust-

Mr. Nott said later that import barriers would provoke retaliation, and loss of jobs for the sake of others which had ceased to be "competitive."

The Labour leaders' call for defensive measures owes much to the wave of redundanciesever 400,000 were notified in the first five months of the year-and to the high and rising unemployment total, now officially nearly 1.9m.

Flanked by Mr. Ron Hayward. Labour Party general secretary, and Mr. Len Murray, TUC general secretary, Mr. Callaghan said that he deeply regretted the line taken by the world leaders at the recent Venice

"There is an alternative to deflation leading to mass unemployment." he declared. The aim must be to expand trade. and to recognise the needs of the developing countries.

Protection for British industry should not be seen in isolation from other policies for modernising and re-eqipping British industry.

The measures were compatible with EEC membership, but a "new look" should be taken at the Community.

# Official receivers' jobs at risk in Government bankruptcy plan

BY ANDREW FISHER

procedures for personal bank-ruptcies. These effectively set aside the recommendation Sir Kenneth Cork's Insolvency Law Review Committee.

By shifting personal bankruptcy work from the official receivers to private receivers. the Government hopes to save £3m a year and shed 570 staff. A Bill to amend insolvency law will be introduced in the 1981-1982 session of Parliament.

Presenting the proposals, Mr. Reginald Eyre, Under-Secretary of State for Trade. said: "The vast majority of cases are very, very run-of-the-mill—penniless small debtors pursued into bankruptcy at considerable public expense."

Under the proposed new system, the number of official re-ceivers would fall from over 30 to less than ten, with their official receivers.

THE GOVERNMENT yesterday main responsibility being cor-

generally sceptical about the affected during the three-year proposals, while Mr. Stanley rundown, Clinton Davis, opposition spokesman on company affairs, termed them "misconceived, doctrinaire, and inconsistent with the They conneeds of society." unscrupulous debtors' charter.'

He also said they were 'a Committee," which was set up under the last Labour Government early in 1977. Sir Kenneth, a former Lord Mayor of London. declined to comment.

But the committee, whose own interim report was also published yesterday, feels that its own reforms are superior to those of the Department of which employs the

The Government's plan was criticised by the Institution of Professional Civil Servants, the trade union which represents most of the staff who will be It said that the Government's

"overwhelming desire to cut Civil Service manpower" had overridden any case for change and its proposals would totally undermine the existing system.

Mr. Eyre said the Government felt the major field for insolslap in the face for the Cork vency reform was in the company sector where emphasis was now being shifted. No changes in present procedure for liquidating companies was

> The Government said that the Cork Committee's proposals, basically aimed at removing smal individual cases from "the rigours of bankruptcy." would require a large technicallytrained Government staff.

# BL to get further cash injection

BY ELINOR GOODMAN AND KENNETH GOODING

injection of Government cash financial year. It expects its next week when it will draw cash flow to improve markedly part of the £75m remaining from August onward. The com-from the money allocated for pany said: "We expect to manto 221,758, 5.2 per cent of the workforce. Just under half

> Suggestions that BL wanted more money at such an early stage caused alarm yesterday among some MPs who fear the group will need to ask the Government to increase the £300m cash injection agreed by Sir Keith Joseph. Industry Secre-

> They were particularly concerned because other Stateowned and nationalised organisations are having difficulty keeping within set cash limits. However, BL denied last night that it would need to ask the

tary, in December.

age on the remaining agreed Government funding and our own cash resources for the duration of this financial year." There seems little doubtalthough BL did not confirm this-that the group will need much more than the further

£130m the Government has promised to provide between 1981 and 1983.

In particular. BL wants to push ahead with the LC10 project to produce a range of medium-sized cars to replace will have been lau the Morris Ital and Allegro. UK unemployment This could absorb up to £300m. risen even higher.

BL WILL receive a further Government for extra cash this some of which the group would finance itself.

> There were indications yesterday, however, that the Government might have to give support towards the LC10 programme as early as next week. It was being suggested that BL will ask the Government to put up financial guarantees so that it can order machine tools for the project.

There has been growing confidence within BL that the LC10 will be approved when it is finally considered in the 1981 corporate plan to be completed in October. By the time the Government considers the plan the new BL small car, the Metro, will have been launched-and UK unemployment may have

# Cabinet rift on oil assets sale

BY RAY DAFTER, ENERGY EDITOR

over plans by the Treasury and the corporation's wholly-owned the Industry Department to sell subsidiaries. Hydrocarbons GB, some of the British Gas Cor- which is developing the More-poration's £500m-worth of oil cambe gasfield in the Irish Sea.

Industry Secretary, opposing the sale of British Gas's impor-

and Gas Council Exploration. Mr. David Howell, the Energy The Energy Department re- barrels of recoverable reserves, Secretary, is reported to have fused last night to comment on comparable to some of the smalwritten to Sir Keith Joseph, the the unofficial reports of the rift. ler North Sea fields. However, it is known that Mr.

A CABINET rift is developing capital being introduced into Wytch Farm and four North Sea fields, Beryl, Fulmar, North-West Hutton, and Montrose. British Gas and British Pet-roleum have equal interests in

Howell has been having discus- the corporation, who announced tant Wytch Farm oilfield in sions with the British Gas over a record pre-tax profit of £426m plans either for introducing pri- this week, said that any change

But Mr. Howell has appar vate capital into the corporation in the structure of British Gas ently made clear that he would or for selling some of its oil could only put its "first-class" have no objections to private assets, which include interests in success prospects in jeopardy.'

#### SALISBURY GOVERNMENT'S FIRST BUDGET

# Zimbabwe reassures foreign investors

BY TONY HAWKINS IN SALISBURY

ZIMBABWE presented its first departure for his party, the remain at 49.5 per cent. peace-time budget yesterday. ZANU-PF, emphasised a warn-Government spending but a 19 tion had to be paid for by per cent cut in defence taxpayers.

The budget estimates showed spending would go up 16.4 per cent in the fiscal year to mid-

But there are no overtly anti- allowing the tax liability

Senator Enos Nkala, the capitalist changes in his budget incurred by the transfer of Finance Minister, cast aside his On the fiscal side, he has, as public image as a "wild man predicted, budgeted for a large of the Left" and went out of deficit of Z\$454m, which he says his way to reassure foreign will have to be funded by both and domestic investors. He local and foreign borrowings.
described the socialism of The income tax structure is

announced previously, which branch profits of wholly-owned applies to both companies and individuals, will be maintained the same will apply. both in the 1981 and the 1282

Senator Nkala also introduced in ing that free health and educa- a minor concession to encourage foreign-owned companies to be-

assets to be spread over The Minister announced two major changes in respect of re- by the Reserve Bank. mittability of profits and dividends, Remittances of dividends described the socialism of The income tax structure is to non-resident shareholders
Prime Minister Robert Mugabe's left unchanged though the 10 will now be limited to 50 per
Government as "pragmatic per cent tax surcharge cent of after-tax profits. For

or majority-owned subsidiaries. Mr. Nkala said this would 981 to Z\$1.4bn (£936m). tax years. But the top tax rate apply to UK, U.S. and Canadian UDI in 1955 will be allowed to Senator Nkala, in a new and the corporate tax rate residents who have hitherto repay these.

been prevented from receiving any dividends at all by the blocked funds regulations.

The Minister said the release come locally registered, by of funds blocked during the period of UDf and sanctions would have to be phased, but gave no details saying these were still under consideration

But current interest earned on blocked funds invested in table to UK, U.S. and Canadian residents immediately. Senator Nkala also announced

that Zimbabwean companies which raised overdrafts in the

# transfer gold from London

**Iranians** 

By David Marsh and Simon

IRAN LAST mouth transferred nearly \$250m-worth of gold from the UK to Tehran. apparently in a further attempt to build up stocks of builion away from possible Western interference.

The transfer, revaled in British Customs and Excise statistics, takes total Iraninan withdrawals of gold from the year to around 30 tonnes, worth more than \$500m.

Iran this year has also brought home stocks of gold from France, West Germany and possibly other Western countries. One reason behind the shift is thought to be that the Iraninans are anxious to protect themselves against any further freeze on foreign assets as part of Western action over the U.S. hostages. It is uncertain whether the latest movements reflect recent purchases on the latest ·

London gold market. It is common practice for countries' gold reserves to be stored in London, New York and other Western financial centres. Iran has been identified as

one of a number of develop-ing countries which have been adding to their official gold holdings in recent mouths. Unobtrusive purchases by these countries — some of which have been revealed by recent International Monetary Fund figures on official gold holdings—have been among the factors sustaining the gold price this year.

Other oil producers thought to have acquired gold this year include Libya and Indonesia. Both these coun-tries—along with Nigeria have moved large amounts of gold from Britain this year, according to the Customs and

Bankers in London are puzzied why Iran should continue to move its gold back home. They point out that the transfers to Tehran-some of which have been carried out by British Airways-are expensive in terms of freight charges as well as security and insurance costs.

Previous shipments were mic sanctions might have been broadened to cover London gold deposits. although the threat of that happening seemed minor.

It has been clear from the time that the U.S. hostages were seized last November. that Britain was very reluctant to become involved in American freeze on Iran's assets.

More executions in Tehran. Page 3

#### Weather

IIK TODAY MAINLY DRY and warm but

N. Ireland and parts of Scotland will have rain with bright intervals.

N.E., S.E., E., Cent. England, S.E. Scotland Dry and sunny. Very warm. Max. 26C (79F).

Wales, S.W., N.W. England Channel Islands, S.W. Scotland Mainly dry. Sunny periods. Inland Max. 24C (75F). Coasts 17C (63F).

Cent., E. Scotland, N. Ireland Rain, Bright periods. Max. 22C. (72F). N. Scotland

Heavy rain. Brighter later. Max. 17C (63F). Outlook: Sunny intervals. howers. Thunder in places. Showers.

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THE LEX COLUMN

# Davy looks to U.S. orders

Traders gathered expectantly on the Stock Exchange floor around opening time yesterday, but the anticipated dawn raid did not materialise. That, however, did not significantly lower the speculative temperature, and rumours centred by no-means for the first time this year—on Turner and Newall. The share price eventually settled at 131p, up 14p on the

day.
That Turner and Newall is finding life extremely tough at the moment, at least in its .UK operations, cannot be doubted (though pre-tax profits of the U.S. subsidiary Hunt Chemical, reported yesterday, were only 15 per cent lower for the second quarter). Judging by the institutions' readiness to take cash fu recent market raids, and the question mark over the dividend, the group is certainly in a vulzerable position.

#### Davy Corporation

of payments on account to stocks and work in progress, and the cash in its balance sheet at March 31 has risen slightly. Interest payable is well up, but this largely relates to the acquisition of McKee—in for a full year for the first time -and is covered by McKee's earnings. So unless the cash figure in the balance sheet is thoroughly unrepresentative, Davy must have received a major boost to profits from interest receivable at the past year's high rates.
In the first half of the year

to March, Davy Corporation's profits were badly hit by the engineering strike and by a substantial provision for contract losses at an American subsidiary. These exceptional factors were absent in the second six months, but pre-tax profits for this period have nevertheless declined by over a third, and he full year's figures show a fall from £26.1m to £15.9m.

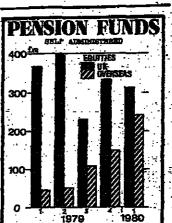
While the heavy manufactur-

seems to be going strongly -

On the other hand, it has managed to increase the ratio

Next week's floatation of 51 ing businesses at home (Davy Loewy excepted) are still per cent of the company's oil interests packaged as Charter. house Petroleum should be well losing money, the major problem is the growing pressure on received, even though the international contracting mar- enthusiasm for secondary oil gins. In particular, the flow of stocks has ebbed in recent export-credit financed contracts weeks. Unlike previous flota-

Index rose 1.0 to 487.0



ability to compete for the

per cent (1.4 times covered by

The stock market is looking

at the Charterhouse Group with new eyes. Last November the shares were standing at 59p and

the company was capitalised at

£58m. Yesterday the capitalisation amounted to £138m, repre-

senting a 55 per cent increase after adjusting for the shares

issued on the take-over of

Underlying the re-rating are three factors. The acquisition of Keyser Ullmann's banking

assets means that the group

must now be taken seriously as a merchant bank. Secondly.

after a lengthy gap it has.

demonstrated that its develop-

ment capital strategy can once

again be effective. Last and probably most important, its

stock oners actua

healthy involvement in North Sea has matured.

current cost earnings) at 93p.

Charterhouse

Keyser Ullmann

tion, which together with the film or so from the agreed sale of its insurance broking subsidiary Clauvill Enthoyen, will give a big fillip to investment plans. Net debt will fall to little more than a third of shareholders, funds. So the shareholders funds So the group is planning to push up significantly the £20m originally budgeted for capital spending and new investments. Mean-while there should be two further flotations over the next 12 months or so. Investment funds The impact of exchange con-

smaller and purely specifiative

Assuming a 5p premium, the Charterhouse Group should realise 23m net from the fota-

North Sea stocks.

American energy-related control abolition on the investment tracts that will mushroom in the pattern of the major institutions next few years is the key to has been sharp. Official figures future expansion. In the current year, though, there may be only modest recovery, and the shares require a yield of 10.8 period, nearly 70 per cent of the figure for the whole of 10.70. the figure for the whole of 1979. Some 18 per cent of total pen-sion fund inflows went overseas in the first quarter, and although the proportion was much smaller—at 71 per cent—for the much less equity-oriented insurance funds, an upward trend was also in evidence here. In general, the first quarter

institutional investment figures illustrate the search for equity or equity-type assets. Although gilt-edged were as ever freely available, many pension funds had come up against internal limits to their gilt-edged exposure. So pension funds in aggregate invested only the same as their average quarterly gilt-edged purchases in 1979. In contrast, equity purchases (UK and overseas together) were a third higher than for the average 1979 quarter, and the more erratic property figure was

up 60 per cent An important point to note isthat the institutions have been maintaining a fully invested posture. The build-up of liquidity by pension funds in the first quarter represented under 6 per cent of their inflow.

and the liquidity of long-term insurance funds actually fell. advantages has dried up, and in North Sea production as well one individual group to issue general Davy seems to be find—as hopes and prayers; the mini—a report for the June quarter ing those juicy advance pay—mum tender price of 65 seems is Prudential Pensions, managments harder to come by.

The recent The best news is that McKee it would not be surprising to fixed-interest weighting of 37 tipy see a premium of 5p or 10p. At per cent is being edged down. certainly the U.S. order book the same time the listing of and the managers envisage a presents a sharp contrast to that Charterhouse Petroleum may further shift towards equityof the UR-based business. Davy's lead to some switching by in- type assets in due course.

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